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INVESTIGATION OF MEXICAN AFFAIRS

HEARING

BEFORE A

SUBCOMMITTEE OF THE COMMITTEE ON FOREIGN RELATIONS UNITED STATES SENATE

Congress.

1069
1283

SIXTY-SIXTH CONGRESS.

FIRST SESSION

PURSUANT TO

S. Res. 106

DIRECTING THE COMMITTEE ON FOREIGN RELATIONS TO INVESTIGATE THE MATTER OF OUTRAGES ON CITIZENS OF THE UNITED STATES IN MEXICO

PART 1

Printed for the use of the Committee on Foreign Relations

WASHINGTON
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1919

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INVESTIGATION OF MEXICAN AFFAIRS.

MONDAY, SEPTEMBER 8, 1919.

UNITED STATES SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON FOREIGN RELATIONS,
Washington, D. C.

The subcommittee met, pursuant to call, at 11 o'clock a. m. in room 422, Senate Office Building, Senator Albert B. Fall presiding.

The CHAIRMAN. The committee will come to order. We will file first Senate resolution 106 and Senate resolution 163, which are to be printed in the record, showing the authority for this committee to act.

(Senate resolutions 106 and 163 are as follows:)

Senate resolution 106.

Resolved, That the Committee on Foreign Relations, or any subcommittee thereof, is authorized and directed to investigate the matter of damages and outrages suffered by citizens of the United States in the Republic of Mexico, including the number of citizens of the United States who have been killed or have suffered personal outrages in Mexico, and the amount of proper indemnities for such murders and outrages; the quantity of damages suffered on account of the destruction, confiscation, and larceny of personal property and the confiscation and deprivation of the use of lands and the destruction of improvements thereon; the number of citizens of the United States residing in Mexico at the time Porfirio Diaz retired from the presidency of Mexico, and the number of citizens of the United States at present residing in Mexico, and the nature and amount of their present holdings and properties in said country; and in general any and all acts of the Government of Mexico and its citizens in derogation of the rights of the United States or of its citizens; and for this purpose to sit at any time or place during the sessions of Congress or during recess and with authority to subpœna such witnesses and documents as may be necessary, and to make a report of its findings in the premises to the Senate; and the said committee shall further investigate and report to the Senate what, if any, measures should be taken to prevent a recurrence of such outrages.

Senate Resolution 163.

Resolved, That the Subcommittee on Foreign Relations appointed under authority of Senate Resolution Numbered 106, to investigate Mexican affairs, be, and it is hereby, authorized to send for persons, books, and papers; to compel the attendance and testimony of witnesses; to administer oaths; to conduct hearings; to travel to and from any points where a sitting of the committee may be necessary; to employ interpreters, stenographers, clerks, and any other necessary assistants; and to provide for the care and preservation of testimony, papers, and documents.

The expenses of said subcommittee and its necessary assistants in discharging its duties under the provisions of said resolution numbered 106 and of this

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present resolution to be paid out of the contingent fund of the Senate up vouchers to be approved by the chairman of the subcommittee.

The CHAIRMAN. We file a letter from Mr. James G. McDonal chairman, under date of August 13, 1919, and a letter from the sam gentleman, dated August 14, 1919, to be printed in the record. W file these letters for the reason that this particular hearing has bee called for the purpose of giving the gentlemen mentioned in th letters and the League of Free Nations an opportunity to be hear first.

(The letters above referred to are as follows:)

LEAGUE OF FREE NATIONS ASSOCIATION,
New York City, August 13, 1919.

MY DEAR SENATOR: Our Mexican committee is prepared to furnish you fro time to time with trustworthy information about the Mexican situation, know ing the purpose of your committee to make a thorough investigation.

We send herewith three chapters from a book by Mr. Samuel Guy Inman one of the three members of our committee recently in Mexico, and also reprint of an official Mexican exposition of the petroleum industry in Mexico.

Very truly, yours,

JAMES G. MCDONALD, *Chairman.*

HON. ALBERT B. FALL,
United States Senator, Senate Office Building, Washington, D. C.

LEAGUE OF FREE NATIONS ASSOCIATION,
New York City, August 14, 1919

HON. ALBERT BACON FALL,
U. S. Senator, Senate Office Building, Washington, D. C.

SIR: Will you please be good enough to inform us when the subcommittee of the Senate Committee on Foreign Relations will be ready to begin its hearings, in its investigation of conditions in Mexico.

Several of the members of our Mexcan committee have been in Mexico recently, and are in a position to give information regarding present-day conditions there. They will be glad to appear before your committee at your convenience.

May we not venture to express the hope that the Senate subcommittee will exercise more discretion in its selection of witnesses than did the House Committee on Rules?

Denunciations of a Government with which the United States continues to be in friendly treaty relations by a go-between for various bandit chiefs were widely exploited through the press recently, and as loyal Americans we hope your committee will not lend itself to similar propaganda. With assurances of high respect, I am,

Very respectfully,

JAMES G. MCDONALD,
Chairman.

The CHAIRMAN. We have been informed that Dr. Inman, one of the committee of the League of Free Nations, I believe, or one of the members, is present and desires to be heard. Dr. Inman, you understand that the statements made by you will be made under oath, of course?

Dr. INMAN. Yes, sir.

TESTIMONY OF DR. SAMUEL GUY INMAN.

(The witness was duly sworn by the chairman.)

The CHAIRMAN. Senator Brandegee, Dr. Inman has requested to be allowed to make a statement before proceeding to give his evidence. If there is no objection to that——

Senator BRANDEGEE. There is no objection whatever.

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The CHAIRMAN. Doctor, you are recognized and will proceed now to make your statement.

Senator BRANDEGEE. Did you state your residence?

Dr. INMAN. Leonia, N. J. On the request of the committee, Mr. Chairman, I wish to present some documents. I have brought these at your request.

The CHAIRMAN. You say, "On the request of the committee." Do you mean this committee?

Dr. INMAN. Yes, sir; this committee.

The CHAIRMAN. Do you mean the documents in this envelope that you have here?

Dr. INMAN. Yes, sir; I want to refer to those probably later on.

The CHAIRMAN. Yes; you can use them and the committee will examine them later.

Dr. INMAN. In the first place, Mr. Chairman, I want to say that I come with pleasure at your request to testify before the committee for two reasons particularly, which I hope the committee will continually keep in mind; first, the relationship of Mexico to the whole question of Pan Americanism; and, secondly, the relationship of our international friendship with Mexico to the American missionary work in those countries.

Referring to the question of Pan Americanism, I have been studying that for the last five years particularly; I have traveled through the South American countries, and have noted with deep pleasure the increased friendship for the United States, especially after we declared war. That friendship can now be strengthened very largely if our relations with all of the Latin American countries are carried forward, as we have claimed they would be in all of our statements after we entered the war with respect for small and weak nations.

The CHAIRMAN. Doctor, may I interrupt you just there?

Dr. INMAN. Yes, sir.

The CHAIRMAN. You say you traveled through Latin American nations. To what Latin American nations do you refer and in which of those did you discover this increasing friendly spirit for America?

Dr. INMAN. In 1914 I went to Mexico, Cuba, Porto Rico, Panama, Peru, Chile, Argentina, and Brazil. At that time I was more impressed than ever with what most of us know, that there had been great prejudice against the United States; but in a more recent trip, in 1917, after we had entered the war, I visited these same countries and also Bolivia and Paraguay and Uruguay, and probably one or twe others; and it was then that I was impressed particularly with the great change that had come over these countries because of our entrance in the war, in the first place, which seemed to them to be a fight for them as well as for us for free democracies; and, in the second place, because of our increased commercial relationships and our intellectual relationships.

The CHAIRMAN. Whom were you visiting there and what was your business?

Dr. INMAN. My primary business was to visit the missionary forces.

The CHAIRMAN. What missionary forces?

Dr. INMAN. I might say, Mr. Chairman, that I am secretary of the committee on cooperation in Latin America, and represent 30

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mission boards doing work in Latin America. This organization has been in existence about five years, and it is the purpose of our committee to study Latin American conditions in order to interpret them for the various mission boards. We are a kind of a clearing house for these various missionary organizations, and primarily I went to visit the missions. However, especially on the second trip, I had letters from the universities and had made other contracts with the intellectual classes, so that I spoke before a number of the universities in the different countries, and also came in contact with the people in a social way because of various introductions that I carried.

The CHAIRMAN. All right. Go ahead now and just follow your own line.

Dr. INMAN. I believe that our relationships to Mexico have a great deal to do with our relationship with all of Latin America. We are now in a new day in pan Americanism. Our foreign commerce has increased during the period of the war from about $800,000,000 to $1,700,000,000; and not only this increase in commerce, but especially this increase in understanding of the United States and a desire for friendship with the United States put us at the beginning of a new era of friendship for America.

The CHAIRMAN. The foreign commerce that you speak of is with Latin-American countries?

Dr. INMAN. With Latin America. I believe, Mr. Chairman, that there is hardly as important an international question before America at the present time as is this question of American solidarity. I think we can never have the influence in the world at large that we should have until we have gotten this solidarity. I am, therefore, interested in our relationships with Mexico, in the first place, because of its intimate relations with the Pan-American question.

I feel convinced that, if, as has been mentioned, we should have armed intervention in Mexico that that would prejudice all of the Latin-American countries and would hold back this development of Pan American friendship in a way that could not be described; in a very, very large way. Therefore, I think that in all of our dealings with the Mexican question we should take into account the whole of Pan America.

In the second place, I would like to call the committee's attention to the interests of the missionary forces of North America in Mexico. There are probably 150 to 200 American missionaries in Mexico at the present time. They have had the best year in their history during 1918 and 1919. The mission schools are all crowded; the churches are crowded. From six hundred to a thousand people come together in one church in Mexico City every Sunday, and the churches are crowded to capacity in Mexico City, in Chihuahua, in Guadalajara, in Pueblo, in Vera Cruz, in Yucatan, and I might say in practically every region of Mexico. These missionaries are scattered all over Mexico, in practically every part of the country. Their schools are crowded at the present time; their hospitals are overrun, and there are continual demands for their services.

It may seem strange to some to think of the American missionary work having anything particularly to do with this question, because they are likely to think of that as being a narrow-minded program

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simply of converting from one sect to another; but, Mr. Chairman, I should like to correct that view, if possible.

Missionaries have been now in Mexico for at least 40 years. They, I believe, know more about the Mexican people than any other Americans. They have certainly learned to speak the language, and have lived with the people and are the one class of people, I might say, who are universally acceptable to the Mexican people, who recognize that their friends have no ulterior motives whatever in their service.

It may interest the committee to know that the revolution, which has gone on during the last few years, has served in this shuffling process to bring up to the top the young men who have been educated in the missionary schools.

Practically 50 per cent of the leadership, ranging all the way from members of city councils to governors, and secretaries and senators, have been educated in American schools in Mexico, or schools in the United States.

The CHAIRMAN. You will be prepared to go specifically into that and give names, etc.?

Dr. INMAN. Yes, sir. And, for that reason, naturally we have a strong belief in the ability of Mexico, if she is given an opportunity and given the proper kind of help and assistance, to work out her problems. In fact, these young men are carrying out as fast as they can just the things we would want to carry out if we went down there, as we did go into Cuba, for example, and take hold of their national policies. But we believe that Mexico is able to do that with the friendly assistance of the United States.

I trust that this element will be taken into consideration by your committee, and that a number of gentlemen who are most capable of testifying along these lines will be heard.

The CHAIRMAN. If you will give the names to the secretary they will be called.

Dr. INMAN. Bishop Cannon, who has just returned from Mexico, is here to-day, and I hope he will have an opportunity of being heard before he has to leave at 2 o'clock this afternoon.

The CHAIRMAN. Bishop Cannon has already been notified that, in the event you do not complete your testimony in time to give him an opportunity to be heard, that you will be requested to suspend in order that he might be heard, so as to allow him to return to New York.

Dr. INMAN. I might say, Mr. Chairman, that I think that the churches are unitedly against armed intervention in Mexico, not because they are not equally interested with all other American citizens in the protection of American rights and in the development of our international friendship and in the protection of the American flag wherever it may be, but simply because these interests, after careful study, believe that the problem can be worked out without war.

The officers of the Federal Council of Churches, the Chicago Federal Council of Churches, the missionary boards, the missionaries themselves in Mexico, and so far as I know the Christian leaders all over the United States, are entirely opposed to armed intervention. I have submitted certain editorials from the religious press to substantiate that statement.

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Now, gentlemen, I would like to go into the statements concerning three questions that I would like the committee to consider. In the first place, I believe that there has been a real revolution in Mexico during the last eight years. I believe that because I knew Mexico before the revolution began, during the Diaz régime. I knew how little liberties were granted the people at that time. I knew the abuses of the jefe politicos, the political bosses. I knew the holdings of the large landed interests, which compelled peons to work for 12½ cents a day and practically kept them in debt all of their lives, and the fact that these conditions are being changed, not rapidly, but gradually at the present time; that the Government has been able to distribute lands to the peon element; that the abuses of the jefe politicos have been in a large way excluded, and that above all this young element is endeavoring to work out a new program.

I do not care to create the impression at all, if it were possible, that things are all right in Mexico to-day; but I would like for all of us to realize that after a period of revolution every country has had in its history a period of reconstruction, and that Mexico to-day is striving with the same problems largely that we strove with in the time following our Civil War and the difficulties of catching Villa, for example, are similar to the difficulties we found in suppressing banditry, the James boys and others in the western part of the United States; and that conditions are gradually growing better; indeed, more rapidly than most of us in the United States have any idea of.

The CHAIRMAN. What do you speak of as the period of revolution? When did the revolution commence in Mexico?

Dr. INMAN. Madero began his revolution on the 20th of October, 1910.

The CHAIRMAN. All right. You speak of the revolutionary period as from the 20th of October, 1910, down to the present time?

Dr. INMAN. I would not define it just exactly that way because that hardly took effect at that time. I should rather set the revolutionary period beginning in 1912.

The CHAIRMAN. Why?

Dr. INMAN. Because it grew larger at that time. Peace between Madero and Diaz, I believe, was effected in May of 1911. However, Madero never was able to quiet the country. It is rather difficult to say just when the revolution began.

The CHAIRMAN. I simply wanted to know your idea of what the period of revolution was that you were speaking of.

Dr. INMAN. It would be all right to begin with the beginning of the Madero revolution, but it was two years before the country was thrown into disorder. Now, the revolution in China against the Manchu dynasty began just about the same time that the Mexican revolution began. There is greater disorder probably in China at the present time, and there has been for some time, or at least there is great disorder and fighting between the North and South; and yet we realize that we must have patience with China in the development from her monarchical government to a republic, and our protest against the Shantung grant has certainly shown our interest in the welfare of a weak nation.

It seems to me that Mexico is going through more or less what China has gone through with and what every nation has gone

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through with in bringing about a democratic form of government. The difficulty is that this is being done next door to the most advanced nation in the world, the nation that has developed democracy to a larger extent than any other nation in the world, and a comparison, therefore, is natural between our stable conditions and the unstable conditions in Mexico; and we forget even our own history, how in years past, before we had subjugated the western part of this country, we were going through similar experiences.

As to Mr. Carranza, who is largely the bone of contention here, I believe that Mr. Carranza is an honest and capable man. I recognize his faults. He is ultrainternationalistic. He is very sensitive and the attacks of the American press on Mr. Carranza have caused him to be exceedingly sensitive as to what has been said about him here. He has been called a thief and a liar and a robber and everything that certain parts of the American press could invent.

That has made Mr. Carranza naturally very resentful. I knew him as a neighbor in the State of Coahuila when I was director of the People's Institute there several years ago. Knowing him as a neighbor, I formed a high opinion of him as a man, and his belief in a democratic form of government. I believe that he is not anti-American, for he has done too much for American schools; he has employed too many of the young men who have been educated in American institutions; he has sent too many teachers and students to the United States, and he has had friendship with too many American people in Mexico for me to believe that he is anti-American. I believe that he is very much pro-Mexican. He is trying to work out a policy of Mexico for the Mexicans. He has gone too far in that, no doubt; but it is difficult to say just how far he has been pushed in that and how far it represents his own sentiments. For example, the Institution of Queretero of 1917, with its certain features of foreign investments and against religious institutions, were not of Mr. Carranza's origin, as I understand through thoroughly reliable sources; but they were put in there by radical elements, and rather than disrupt his party at that time he accepted them, expecting all the time to have them changed.

The CHAIRMAN. You refer to thoroughly reliable sources of information with reference to the form of the constitution. Would you give your sources of information with reference to Mr. Carranza's opposition and how the constitution was formed? The general statements are interesting, but this committee is searching for facts.

Dr. INMAN. I saw a letter from one of the gentlemen connected with the financial interests in Mexico, the oil interests, which said that he had seen a copy of the constitution as prepared by Mr. Carranza, and had some of those objectionable features.

The CHAIRMAN. Who was the gentleman whose letter you saw?

Dr. INMAN. Well, Senator, I do not know whether I ought to say or not. It was shown to me by a gentleman here, and it was a private letter.

The CHAIRMAN. If you prefer not to disclose the name of the party, all right. Is that the only source of information you have with reference to Mr. Carranza?

Dr. INMAN. No. I understand that from Prof. Osuna, who has been a very close adviser of Mr. Carranza during these several years,

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and I wanted to refer to Prof. Osuna, by the way, as one of the men who is pro-American, who has lived in this country for many years, and who recently has been one of the closest advisers to President Carranza, and who, on account of his understanding of American life, was sent to the State of Tamaulipas as governor in order to work out the problems with the oil interests there.

The CHAIRMAN. Is he there now?

Dr. INMAN. He is not there now.

The CHAIRMAN. Is he in the United States?

Dr. INMAN. He is in Mexico at the present time. The political pot is boiling in Mexico at the present time, and there has been a recent combination in Tamaulipas to oust President Osuna.

The CHAIRMAN. Then you learned from Mr. Osuna of Carranza's opposition to the present Mexican constitution?

Dr. INMAN. Yes.

The CHAIRMAN. Is there anyone else from whom you obtained any information on that subject?

Dr. INMAN. I do not recall anyone else, but I know that a number of Mexicans have made that same statement to me.

The CHAIRMAN. I do not care to interrupt you, but I want to get the facts as nearly as possible.

Dr. INMAN. I think I could look up that matter and give you further evidence along that line. I am sure I could.

The CHAIRMAN. We would be very glad to have you do so.

Dr. INMAN. Now, it is men like Prof. Osuna that I think we must believe are going to remake Mexico, although he is a very good illustration of what is going on there at the present time, which shows that Mexico has more liberty than ever before. He was sent down to Tamaulipas as one of the few States that are still under military government by Carranza. However, a combination between the two opposing candidates for the presidency next year were able to oust him, and President Carranza did not protect this particular friend and keep him in the job.

The CHAIRMAN. How did Carranza happen to send Osuna to Tamaulipas?

Dr. INMAN. For the reason that he was familiar with American life, understood the American viewpoint, and hoped that Mr. Osuna would be able to work out a workable program with the oil interests.

The CHAIRMAN. Then, there is no democratic Government in Tamaulipas now? That is, the people do not elect their Government; Carranza sends them in?

Dr. INMAN. That is one of the States that I understand is still under military rule. There are probably about eight of those. I am not sure as to the number. A very large majority of the States are having elections, but some of them still maintain military rule.

The CHAIRMAN. You may proceed, sir.

Dr. INMAN. Mr. Carranza, in referring to his not being anti-American, recently invited a commission of American financial experts to go to Mexico to work out a new tax system for the country. That commission, representing some of our very best American experts on finances has worked out an entirely new tax system for Mexico, which does away with the old problem of taxing about a thousand of the very small minor things in Mexico and puts the taxes on the big

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things. Now, it used to be that every little peddler on the street had to pay a certain tax.

The CHAIRMAN. To whom?

Dr. INMAN. To the municipal Government.

The CHAIRMAN. Well, that is to the municipalities in the States and not to the national Government?

Dr. INMAN. No; but there was a system of working out a certain amount for the municipalities to contribute to the national revenues.

The CHAIRMAN. What was that system?

Dr. INMAN. I do not remember the details.

The CHAIRMAN. Would not the system of national taxation suffer from municipal and State taxation?

Dr. INMAN. I know in paying taxes we always got a statement simply as to the amount of taxes that we owed, and that was paid into the Treasury there and divided up; how I do not know.

The CHAIRMAN. You mean with reference to the municipal taxes now?

Dr. INMAN. I mean for all taxes. We got one statement for the taxes that were due. Now, the new taxation, of course, taxes lands and it taxes exports as well as imports. For instance, an illustration in the change in taxation is——

The CHAIRMAN. That is what I would like to confine you to, Dr. Inman, for a minute, because it is a very interesting proposition as to the change.

Dr. INMAN. In February of 1910, if I remember correctly, the tax on pulque in all of Mexico was 140 pesos. In February, 1919, it was 140,000 pesos.

The CHAIRMAN. That is the national tax?

Dr. INMAN. That is the national tax.

The CHAIRMAN. That is not a municipal tax?

Dr. INMAN. No.

The CHAIRMAN. Then, there is no difference except in amount now? There is no difference in the system of taxation. It is simply a difference in the levy of the amount of taxes?

Dr. INMAN. There is a difference, for instance, in the land taxation, which now puts a tax on all lands.

The CHAIRMAN. What was it in 1910?

Dr. INMAN. In 1910 unused lands were untaxed; and the taxation system, for example, on houses, as to the number of doors and windows in a house instead of the actual valuation.

The CHAIRMAN. You mean in 1910 the house was taxed by the municipal authorities, the tax being based on the number of doors and the number of windows?

Dr. INMAN. Well, I am not clear whether that is municipal or national.

The CHAIRMAN. Well, do you not think if you make the statement that there has been a change in the system of taxation, you ought to be able to explain it? I would like you to look it up if you will.

Dr. INMAN. May I explain it in the matter of the pulque?

The CHAIRMAN. You are at liberty to make any explanation you want. I have been in Mexico paying taxes there for 35 years.

Dr. INMAN. I know you have. The tax on land is heavier now than before, and, of course, there is a larger tax on exports than

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there has been before. I do not think there was any taxation practically on exports under the old system.

The CHAIRMAN. I will not interrupt you; go ahead.

Dr. INMAN. That this financial commission has done good work is shown by the fact that the national income in 1918 was about one hundred and forty-nine millions of pesos, and I think the largest income that the Diaz administration ever had was about one hundred and five millions of pesos. The increase this year is even more remarkable.

Coming, now, to Mr. Carranza's attitude on the oil legislation, which is of interest to us all, he and others of the Mexican leaders have claimed they had no idea of confiscating foreign property and that the constitution would be changed in that way. I have been convinced from as careful an investigation as I could make that that was their intention. We know that recently a law has been reported which will do away with the retroactive part of article 27.

The CHAIRMAN. Do you mean to say that the law will change the constitution?

Dr. INMAN. You see, in Mexico the Congress has practically the power of changing the constitution.

The CHAIRMAN. It is just like a law; you can change it by repeal or amendment?

Dr. INMAN. I think they must submit it to the legislatures of the States, but if the Congress of Mexico accepts this proposal of President Carranza, I think no doubt it will be accepted by all concerned.

There is that general desire in Mexico among the most influential people to change this retroactive part to make it very clear that Mexico does not want to confiscate foreign properties.

I read the Mexican papers right along, and there are continual demands that that thing be changed, among the most representative Mexicans in all parties. There has been a great deal of satisfaction expressed over this new law which has recently been reported, which is simply carrying out the promise that the Government has made all along.

I think it is difficult for the American people to understand Mr. Carranza's attitude, because a great many people try to distort everything he does. It does not make any difference what attitude he takes, they try to make it look like another attitude.

The CHAIRMAN. Whom do you mean by "a great many people"?

Dr. INMAN. Let me illustrate, Mr. Chairman.

It seems to me that Carranza's recent message was really conciliatory, taking into account the things he has said in the past, all his ultranationalism and everything of the kind. It seems to me that a close reading of it would show that he is making an endeavor, in spite of his nationalistic tendencies, to be conciliatory with the United States. True, he brought in an unhappy reference to the Monroe doctrine, which none of us believe had any place in the message at all. But it was conciliatory.

The New York Times, for example, in reporting that, headed the article, "Carranza retorts to the United States." The next morning we had a very fine editorial showing the message was conciliatory.

Another one of the New York papers headed the article on that message, "Carranza defies the United States."

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A large number of people would simply read the headlines and an opening paragraph or two which played up that part of the message, but which did not refer to the thing which seemed to me to be the most important, that he is earnestly trying at this time to occupy a conciliatory attitude toward the United States.

The CHAIRMAN. You have mentioned the New York Times. What other papers took the contrary view?

Dr. INMAN. The Times took a contrary view the next morning.

The CHAIRMAN. I know. You mentioned another paper, but you did not mention the name of it.

Dr. INMAN. I do not recall the other paper that said "Carranza defies the United States;" but reference to that is made in the editorial of the Evening Post the next day, which says that one of the difficulties in having friendly relations with Mexico is the writer of American headlines.

The CHAIRMAN. What other papers or individuals commented upon the Carranza message in either way? Do you recall any other?

Dr. INMAN. No; I do not recall any other.

The CHAIRMAN. I am asking because you premised by stating that whatever Carranza said some people tried to distort it.

Dr. INMAN. That is simply one illustration that I have in mind at the present time.

The CHAIRMAN. I asked if you had any other information with reference to this particular matter which you instance, that is, with reference to the Carranza message. You have now mentioned two papers apparently which spoke favorably of the message, and one, whose name you do not remember, which spoke unfavorably of it. Have you any other?

Dr. INMAN. I was illustrating with that one paper that the headline speaks against it and the editorial speaks in favor of it.

The CHAIRMAN. I understand, but the committee, of course, is trying to get a record of facts, and you premised by the statement that whatever Carranza said, apparently some people wanted to distort. That is exactly what we want to get, if possible. We want to find out just who is distorting and just who is trying to make trouble, if any one, between the United States and Mexico.

I want you to be just as frank as you can about it.

I will now state that in some of the literature that your league has sent out they have spoken of this committee, and particularly of the chairman of the committee, as being very much prejudiced. I do not want you to hesitate for one moment to point out anything that the committee may have done or may have stated at any time which would tend to show that they are prejudiced and that they can not conduct a fair hearing in this matter. Do not excuse the committee; do not refrain for one moment from giving utterance to everything you have in your mind, based upon facts, of course, because it is facts that we want.

Pardon me, but general statements that there is an attempt being made to distort what Mr. Carranza says wherein he shows his friendship for the United States, and thus creates an impression in the minds of the American people, should be supported and substantiated by facts. That is what the committee is here for.

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Dr. INMAN. Yes. I shall be glad to turn in more clippings from different papers in showing that. I do not have in mind at this time——

The CHAIRMAN. I do not want to interrupt you. I want you to understand what we are after, and when you make a statement of that kind and then follow it with facts, it may shorten the cross-examination or the direct examination—the questions which the committee will ask of every witness who goes on the stand.

Dr. INMAN. Take, for instance, something which is not exactly along this line, but statements which are not true at all: In 1917, when I was in Mexico just at the declaration of war, I was in the City of Mexico, and the press there was reporting every action of our Senate almost every hour, with extras and everything of that kind. There was a very favorable sentiment for the United States and people seemed to be glad that the United States was going into the war. I went to Vera Cruz and took the boat for Habana, and the first New York paper that I got—the New York Sun—had on the front page the report that there were no connections with Mexico and that Carranza was overthrown by Obregon. Bishop McConnell was reading the other day that in coming from Monterey to Laredo the train was fired on during the night. Nobody was harmed. There were about a dozen shots fired. Some of the papers came out next day saying that there had been a big battle there. Things of that kind, Mr. Chairman, are so common that it would seem almost superflous to submit the different instances.

The CHAIRMAN. Such as the last you have mentioned?

Dr. INMAN. Yes.

The CHAIRMAN. That is, the exaggeration of the reports, stating that the incident amounted to a battle, when, as a matter of fact, there were only a few shots fired?

Dr. INMAN. As the train was passing along. There were no shots exchanged at all.

The CHAIRMAN. That is one of the instances you would submit in substantiation of the statements that someone here is engaged in undertaking to bring about armed intervention?

Dr. INMAN. No, sir; that was simply a statement——

The CHAIRMAN. Just as a newspaper exaggeration?

Dr. INMAN. Just a newspaper exaggeration; yes, sir. As to a desire for friendship with the United States, which I believe is more profound in Mexico now than in the 20 years I have known that country, there are various editorials which are appearing constantly in the Mexican press saying that "We desire friendship with the United States. We desire an arrangement with the petroleum interests." That is the general tone.

The CHAIRMAN. Since when?

Dr. INMAN. That is the general tone of the most substantial press of Mexico.

The CHAIRMAN. Has there been any change, or has that been done since the date you mentioned in 1917 when you were in the city?

Dr. INMAN. I have noticed that particularly since my last trip to Mexico, during January and February.

The CHAIRMAN. You have noticed it so particularly because it was a change in the sentiment of the papers?

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Dr. INMAN. Yes, sir. I believe it represents largely the sentiment of the thinking people of Mexico.

During the World War Mexico was not particularly interested in that, because she was working out her own problems, but she saw that the United States displayed a different side from that which she had ever known before. Hundreds of Mexicans were in this country, and saw our idealistic program. Many of them believed that we did not have any idealism before, but were convinced to the contrary. They have gone back to Mexico, and have reported the mistaken interpretation which they had placed on those things. That has been one of the things which has caused a change of sentiment toward the United States.

The second thing, I believe, is the realization that all the world must live together. Mexico has thought probably she could live by herself; but the war has taught her, as well as the rest of the world, that we are all bound up together, and her thinking people realize in a new way that whether or not they wish to, these two countries have been placed alongside of one another by the Almighty, Himself, and we can not avoid it, and, therefore, it is sense, at least, to look for the right kind of relationships.

I think that our tremendous display of military power has also shown those few Mexicans who might have thought before that we would not fight, and we could not fight, and we did not have an Army, and all of those things, that we do have all of them; and all of those things together, I believe, has brought on a spirit of desire for friendship for the United States, just as I have found in other visits to other Latin American countries.

I consider that that is a very important matter in the development of our relationships, because during the past it has not existed. Mexicans have liked individual Americans, and they have had very close friendships with large numbers of individual Americans, but as a general thing the Mexican was afraid of the United States, and was prejudiced.

The CHAIRMAN. You say individual Mexicans liked individual Americans, and then you say that as a general thing the Mexican did not like the American. You mean the individual Mexican did not?

Dr. INMAN. I mean, the individual would like another individual, but would not like the generic American.

The CHAIRMAN. How about the Governments?

Dr. INMAN. Of course, during the Diaz administration, I think, our relationships were satisfactory.

The CHAIRMAN. How about the individual relations between the two peoples during that time—the nationals of the two Governments?

Dr. INMAN. That relationship was satisfactory in some instances, and, of course, in other instances it was not. There have always been Americans in Mexico who were not a credit, at all, to the American people, and their relationships, of course, have been resented. American tourists used to go down there on the trains, and do things which certainly would not impress the Mexican as to our culture.

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The CHAIRMAN. The American tourist has not stopped that yet, has he? Is not the American tourist the same way, or has he had a change of heart? Does he treat the Mexicans differently now?

Dr. INMAN. There are not so many of them going down there now.

Here is a letter which shows the attitude of the Governments—you asked me about that—in 1917, for example. This letter was given to me by Mr. Trowbridge, and is signed by Luis Cabrera. Mr. Trowbridge is an American business man in Mexico.

The CHAIRMAN. Who is Luis Cabrera? Just explain for the record, if you please?

Dr. INMAN. Secretary-treasurer at the present time, I believe.

The CHAIRMAN. Minister of finance?

Dr. INMAN. Yes, sir; minister of finance. He has always been closely related with the Carranza Government.

The CHAIRMAN. Pardon me before you go into that. Did you meet Luis Cabrera on your trip through South America, on either one of your trips?

Dr. INMAN. No, sir; I did not.

The CHAIRMAN. Did you know that he was down there in these Latin American countries that you spoke of?

Dr. INMAN. Yes, sir; I heard he was in Argentina.

The CHAIRMAN. Did you hear anything about what he was doing there?

Dr. INMAN. Nothing except through the press reports up here.

The CHAIRMAN. You did not hear anything from down there?

Dr. INMAN. No, sir.

The CHAIRMAN. You do not know anything about the result of his mission?

Dr. INMAN. My visit was, I think, before his.

The CHAIRMAN. You were there in 1917, and then you went later, so he must have come between your two trips.

Dr. INMAN. No, sir. His visit came after my last trip. I was there in June, July, and August of 1917, and his visit was after that.

The CHAIRMAN. You know nothing, then, about what he was doing there or what the result of his mission was to these various countries?

Dr. INMAN. No, sir; nothing other than what I have read in the American press.

This letter is self-explanatory, showing that the Mexican Government has had a desire to arrange its financial matters with American firms:

MEXICO, *March 17, 1917.*

Mr. E. D. TROWBRIDGE,
City.

DEAR MR. TROWBRIDGE: Confirming our conversation, I will be obliged if you will discuss with the various foreign financial groups having Mexican investments the situation here and throughout the country, in order that a better understanding of affairs may be had. We feel that many of those having financial interests in Mexico do not have a very clear idea fo the situation, and that a free and frank discussion of all points of common interests is highly desirable, with that in view, we believe it would be to mutual interest if some joint action could be taken by the various financial interests concerned, to name a committee to visit Mexico and make a full study of affairs. We wish, therefore, that you would on behalf of the Mexican Government, extend a cordial invitation to the representatives of the large interests to send such a committee to Mexico, assuring them that this Government desires to cooperate in every reasonable way in such course of action as may be desirable for mutual interest.

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The political progress made in the past year, the great improvement in general and economic conditions, the change from paper currency to a metallic basis, and the reestablishment of a constitutional form of government, taken together, prepare the way for reconstruction measures. The Government is anxious to aid in the full development of the resources of the country, mineral, industrial, and agricultural, and is disposed to give such support as it reasonably and legally can to all such development as is calculated to be for the public welfare To this end, it wishes to have, in a reconstructive program, the cooperation of all those who have interests in Mexico, and it feels that to secure such cooperation a full and comprehensive understanding of the situation is essential. The suggestion made above as to the naming of a committee is made with the hope that such an understanding would result in mutual aid and benefit.

I wish to anticipate my gratitude for whatever efforts you can make, and with kind regards, believe me to be,

Yours, very sincerely,

LUIS CABRERA.

Senator BRANDEGEE. What is the date of that letter?

Dr. INMAN. It is dated March 17, 1917.

The CHAIRMAN. Did that committee go down there?

Dr. INMAN. No, sir. Mr. Trowbridge said he spent a good deal of time trying to arrange for the committee, but was not able to.

The CHAIRMAN. Did he tell you why?

Dr. INMAN. He said that the people with whom he consulted, the financial men, said that with the exception of three or four they did not have any interest in arranging matters with Mr. Carranza; they did not believe that they could make an arrangement with the Carranza Government.

The CHAIRMAN. Have you the names of any one of those to whom he talked?

Dr. INMAN. No, sir; he did not mention names to me.

The CHAIRMAN. You said that with the exception of three or four Americans whom he approached he did not think they could make an arrangement with the Mexican Government. Did he state the conclusions of the three or four men with whom he consulted?

Dr. INMAN. Simply that they would be very glad to send representatives on such a committee.

Senator BRANDEGEE. What business is Mr. Trowbridge in?

Dr. INMAN. Mr. Trowbridge was formerly the general manager of the Mexican Light & Power Co., in Mexico City.

Senator BRANDEGEE. You spoke of him as an American business man and I suppose he was doing business in Mexico.

Dr. INMAN. Yes, sir; he was in Mexico.

Senator BRANDEGEE. Is he now?

Dr. INMAN. At the present time he is in Mexico; yes.

Senator BRANDEGEE. In what business?

Dr. INMAN. I do not know what his business is at the present time. He is promoting certain American organizations in Mexico in the development of some new business.

Senator BRANDEGEE. Do you know where he came from in this country?

Dr. INMAN. I think he came from Detroit, Mich. He has recently written a book called "Mexico To-day," I believe.

The CHAIRMAN. He is a promoter, you say?

Dr. INMAN. I am under the impression that he is promoting some new American financial interests in Mexico at the present time.

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Senator BRANDEGEE. Is he friendly to the Carranza Government?

Dr. INMAN. I think so. His book would give one the impression that he is friendly with the Carranza Government—not that he does not see the faults of the Carranza Government at all, but that he believes, as I do, that Mexico can work out her own salvation and is developing a good deal more rapidly than most of us in this country realize.

That is the next point, gentlemen, that I should like to develop—the improved conditions in Mexico.

Senator BRANDEGEE. Improved as over what period?

Dr. INMAN. Over any period in the past.

Senator BRANDEGEE. Over the Diaz period?

Dr. INMAN. Yes, sir; over the Diaz period, in a business way; not in the matter of bandits at the present time, because, of course, there are more bandits in Mexico at the present time than there were in the latter part of Diaz's time.

Senator BRANDEGEE. You do not mean that the more bandits there are the better the business conditions?

Dr. INMAN. Hardly; but I think these figures will show, Senator, about what I do mean.

Senator BRANDEGEE. I would like to find out.

Dr. INMAN. In the first place, a great many people go to Mexico to-day and do not think of what Mexico was 20 years ago. For example, we hear a good deal about beggars in Mexico. Twenty years ago when I went to Mexico there were lines of beggars. I was told that there were 50,000 homeless people who slept in the doorways in Mexico City every night. Twenty years ago all along the line I remember those beggars. It is not fair for us, simply because there are beggars in Mexico to-day, to say that that shows the conditions are more terrible and that we ought to go in now and alleviate them, and all that kind of thing.

Senator BRANDEGEE. No; but what I hoped you would clear up, and I think undoubtedly you will before you have finished, is in what respects conditions in Mexico are better now than they were under the Diaz régime.

Dr. INMAN. For example, the national revenues this last year are about $50,000,000 or $45,000,000 greater than they were at any time during the Diaz régime.

Senator BRANDEGEE. Are the taxes higher?

Dr. INMAN. The taxes on some things are higher, and taxes on other things are lower.

Senator BRANDEGEE. Has the revenue increased because the value of property has increased, the prosperity of the people has increased?

Dr. INMAN. The revenue, particularly, has increased because of the new arrangement of the whole tax system.

Senator BRANDEGEE. Not because there is more prosperity in the country?

Dr. INMAN. There is a better division of prosperity and a better division of financial responsibility all the way around.

Senator BRANDEGEE. Is the railroad system better than it was?

Dr. INMAN. The railroad system is paying more money than it was, but of couse it is notably run down in its equipment.

Senator BRANDEGEE. You mean travel is greater?

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Dr. INMAN. I do not know about the travel. I mean that the books of the national railway lines show that they are taking in more money than they did in any other period in their history.

Senator BRANDEGEE. Have rates been raised?

Dr. INMAN. I suppose they have. They have been raised in all parts of the world, and I suppose they have been raised in Mexico, too.

Senator BRANDEGEE. To what do you attribute the increased railroad receipts?

Dr. INMAN. I do not know that I have thought about that, but these increased imports and exports to which I am going to refer would certainly indicate that there must be an increase in railroad activities.

Senator BRANDEGEE. Of course, I am ignorant about it. I am simply asking for information. I will wait and see what figures you put in.

The CHAIRMAN. Just a moment, before you get to the imports and exports, because that will be another story.

Has the interest been paid or is it being paid upon railroad bonds or indebtedness in Mexico at all?

Dr. INMAN. My understanding is it has not been paid, nor the interest on the national debt.

The CHAIRMAN. Was there any interest upon the railroad bonds and indebtedness that accrued when Diaz went out of office, which was not paid up to date?

Dr. INMAN. I do not know, Senator.

The CHAIRMAN. Was there any interest in default on the internal debt of Mexico when Diaz went out?

Dr. INMAN. I am not prepared to say.

The CHAIRMAN. Do you know what the sources of internal revenue in Mexico were under the Diaz administration?

Dr. INMAN. I understand that they were largely through imports.

The CHAIRMAN. Do you know that there were two debts, one an external debt and one an internal debt?

Dr. INMAN. Yes, sir.

The CHAIRMAN. What are the sources of the internal revenue for paying the daily running expenses and the interest on the internal debt? Upon what is the money collected? Where do they get their revenue for those internal affairs?

Dr. INMAN. As I say, my general understanding is that it was largely coming from the import duties. I do not know the details of that.

The CHAIRMAN. Where do they get revenue for the payment of their external debt and interest?

Dr. INMAN. Would it not come from the same sources?

The CHAIRMAN. I was asking you if you knew, because you are testifying.

Dr. INMAN. No, sir; I do not know.

The CHAIRMAN. The reason I asked you that is because you were about to discuss the imports and exports, and the railroad bonded indebtedness of Mexico is part of the external debt of Mexico.

Dr. INMAN. I was referring particularly to the earnings of the railroads.

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The CHAIRMAN. Certainly, but you are going to show the increase of imports and exports and increase of railroad business.

Dr. INMAN. Yes, sir. I just jotted down a few figures here.

The CHAIRMAN. I was asking you that because your figures will need explanation now or at some other time, and so I was trying to establish a few facts, if we could, upon which your figures might throw some light, because you are now proceeding to testify as to the imports, exports, and railroad business. As a matter of fact, Doctor, the imports duties are all absolutely pledged for external debts, and included in the external debts, finally, after taking over the national railroads, are the national railroad bonds, and all the import duties are absolutely pledged for that purpose. They were 66 per cent pledged when Diaz went out, and the balance has been pledged since under Madero and Huerta. Therefore, every dollar of import duty should be paid out by the Mexican Government in the discharge of that debt or for a sinking fund. That is the reason I asked you whether it had been paid. They are under obligations to do that. They have set aside and pledged every dollar and every cent of import duties, and it makes no difference whether they are increased or not. They may be increased from those in existence at the time the contract was made, but they can not be decreased, and they can not in any way prevent the payment of the interest or deplete the sinking fund. They may be increased, but every dollar of increase must go into the sinking fund or otherwise for the payment of this debt before it can be applied to any other purpose. That is my object in clearing the way before you make your statement. Proceed, sir.

Dr. INMAN. Well, I just jotted down a few statements. Of course, I have not gone into the study of Mexican finances, but it is simply to illustrate the development of the country.

By the way, there is a pamphlet here, just gotten out by the Guaranty Trust Co. of New York, which shows the development of trade and bettered conditions. Here is the closing opinion, which probably represents the general idea brought out by the pamphlet after one of their investigators had been through the country for two or three months:

The committee on wholesaling and manufacturing sales of the Mississippi Valley Association, of which Walter C. Alward, of the Chicago office of Carson, Pirie, Scott & Co., is chairman, says:

"It is the opinion of the committee that the present is an opportune time for American concerns to open the way for a larger and permanent trade with Mexico. Conditions in the country to-day are no worse, as far as the committee can determine, than they have been for the last few years, while in many respects they have improved. Little could be gained either by individual business interests or by the country in staying out of Mexican markets at this time, and there is much to be said in favor of immediately entering that trade."

This is the opinion of all those who have recently investigated opportunities for selling merchandise of the sort carried by the average city shop and of those seeking to purchase the products of Mexico.

The CHAIRMAN. You were reading from that pamphlet?

Dr. INMAN. Yes, sir. I understand that pamphlet is not to be distributed, because the bank does not care to influence the present Mexican situation.

Senator BRANDEGEE. To what extent has it been distributed?

Dr. INMAN. I don't know, Senator.

Senator BRANDEGEE. Where did you get yours?

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Dr. INMAN. This copy was sent to the committee of the League of Free Nations Association, and the committee suggested that they could distribute a large number of them, and a representative of the bank said they would be very glad to do so, but afterwards they decided it was best not to distribute them at the present time.

Senator BRANDEGEE. Why is the Guaranty Trust Co. interested in the Mexican situation?

Dr. INMAN. Well, I suppose, as a banker of these large firms doing business down there, they want the real facts, so they may recommend to these companies whether they should go into Mexico for business or not.

(Thereupon, at 1.40 o'clock p. m., the committee took a recess until 3 o'clock p. m.)

AFTER RECESS.

(The hearing was resumed at the expiration of the recess.)

The CHAIRMAN. Dr. Inman, if you are ready we will continue.

TESTIMONY OF DR. SAMUEL GUY INMAN—Resumed.

Dr. INMAN. If I remember correctly, Mr. Chairman, we were talking about the improved conditions in Mexico.

Senator BRANDEGEE. You were talking about railroad earnings in Mexico. I think you were about to start on that.

The CHAIRMAN. You were discussing exports, imports, railroad earnings, etc.

Dr. INMAN. I had quoted some of the investigations of the trade bureaus and banks, etc. Here are others reported from about 20 leading importing and exporting firms of San Francisco who do business in Mexico, dealing in various lines of staple products, which have just made reports as follows:

Sussman, Wormser & Co. say:

We take pleasure in stating that our business dealings with the merchants of the Republic of Mexico are entirely satisfactory and the volume appears to be on the increase. Our representative in Mexico states that as far as he has occasion to observe conditions are tranquil and secure, which statement seems to be borne out by the fact that all of our shipments reach their respective destinations complete and in good order.

The CHAIRMAN. Where are these shipments from?

Dr. INMAN. This is a San Francisco firm.

The CHAIRMAN. They do not state where the shipments are from?

Dr. INMAN. No, sir.

The CHAIRMAN. Do they not give any data at all as to whether they are shipments through Guaymas, Tamaulipas, or Acapulco?

Dr. INMAN. No, sir; that is a complete statement, as far as I have it here.

Daniel M. Burns, president and general manager of the San Dimas Co., a former candidate for the United States Senate and well known in the western section of the United States, says:

Our company, the Mexican Candelaria Co., has been engaged in the mining and mercantile business at San Dimas, Durango, and at San Ignacio, and Contra Estaca, Sinaloa, Mexico, for about 35 years. We have operated continuously during all of that period. Our mining properties were not disturbed

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in their operations during the revolutionary period. I consider the Mexican situation very much improved, and believe that the present administration is fully able to control the disturbances that are occurring.

Here is a statement made by L. Dinkelspeil Co. (Inc.):

Regarding our experiences with accounts in Mexico we wish to state that for the past three months our business has materially increased, and orders for the past month have been received in more satisfactory shape than usual. Payments of our accounts have been prompt and our financial experience has been very satisfactory, indeed. We are shipping goods in large amounts to responsible accounts, and we now do business in that country without hesitation.

Alberto Scott & Co. say:

As far as we are concerned, and have been able to ascertain from other firms, collections in Mexican business have been very satisfactory. We handle a great many accounts and advance freights and consul fees, and during the 15 years our firm has been in existence we have suffered no loss from these advances, but on the contrary, they have been always promply paid. We feel certain that exports are increasing.

I take it, Mr. Chairman, that there is no use reading further.

The CHAIRMAN. Where is that from?

Dr. INMAN. From San Francisco.

The CHAIRMAN. What was the occasion of these statements being made, Doctor?

Dr. INMAN. I beg your pardon?

The CHAIRMAN. How did these statements happen to be made?

Dr. INMAN. I do not know. I simply got this copy from the Christian Science Monitor, which just mentions the matter——

The CHAIRMAN. Have these statements any connection with your missionary board work?

Dr. INMAN. No, sir; none whatever.

The CHAIRMAN. Or any connection with your efforts in sending out material through the League of Free Nations, or missions board?

Dr. INMAN. No.

The CHAIRMAN. You are sending out matter for publication, to the different papers, with reference to conditions in Mexico?

Dr. INMAN. We have been, yes; for years.

The CHAIRMAN. This has nothing to do with that at all?

Dr. INMAN. No, sir.

The CHAIRMAN. You do not know who secured these statements nor the occasion for which they were secured, nor why?

Dr. INMAN. No, sir; I do not.

Senator BRANDEGEE. What issue of the Christian Science Monitor was that? What was the date?

Dr. INMAN. I do not believe this clipping states it. Unfortunately, it is not in here. I remember the clipping was published in the Christian Science Monitor.

In this week's Outlook there are a number of statements along those same lines. I will be glad to furnish the committee with all of those statistics. One of the things pointed out there is that the United States trade with Mexico, imports, for example, about doubled from 1911, when they were one hundred and ten millions, to 1918, when they were two hundred and fifty-six millions; and exports just about trebled. In 1910 they were fifty-seven millions, and in 1918 they were one hundred and fifty-eight millions, leaving a Mexican trade balance in favor of Mexico of ninety-seven millions

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of dollars. These figures are from our own Department of Commerce.

The CHAIRMAN. What are those exports, principally?

Dr. INMAN. Exports into Mexico from the United States.

The CHAIRMAN. There is a trade balance in favor of Mexico. Of what does it consist?

Dr. INMAN. Of course, these figures are taken from the United States records.

The CHAIRMAN. I understand.

Dr. INMAN. They show, for example, that we have imported more copper, silver, sisal, and oil, which are among the four largest importations, than Mexico has bought from us.

The CHAIRMAN. What were the oil imports?

Dr. INMAN. Imports of crude oil from Mexico: In 1915 there were 734,000,000 gallons, at a value of $9,000,000 plus. In 1916 it had increased to 845,000,000 gallons plus, at a value of $11,000,000 plus. In 1917, 1,257,000,000 gallons plus, and the value had increased from $11,000,000 to $16,000,000 plus. In 1918 the imports into the United States had increased to 1,583,000 gallons plus, and the value had increased from $16,000,000 to $21,000,000 plus. "To present figures for the years preceding 1915," says the author, "is quite unnecessary, because they were less than any given above, and they are not worth mentioning in comparison with the enormous present-day volume of about 4,000,000 barrels a month to the United States."

The CHAIRMAN. What were the other imports from Mexico into the United States, principally?

Dr. INMAN. The principal imports were sisal——

The CHAIRMAN. From Yucatan?

Dr. INMAN. Yes, sir. Silver——

The CHAIRMAN. What was the sisal, if you have it there?

Dr. INMAN. I have not the sisal here, in my notes, but it is given in that article, which I will submit to you. Sisal led, I think, in all of the imports to the United States, and, in fact, we get all of our sisal from Mexico.

The CHAIRMAN. We get it all from Yucatan. That part of Mexico they always distinguish. I suppose you know that the citizens of Yucatan do not call themselves Mexicans. They call themselves Yucatecans.

Dr. INMAN. It is part of Mexico, however.

The CHAIRMAN. Oh, yes; but all the sisal that is exported from Mexico is from Yucatan?

Dr. INMAN. Yes, sir. The sisal, oil, lead, and zinc, and three-fourths of the silver that we imported from anywhere were imported from Mexico last year. It seems to me that it is significant that we have gotten all of our sisal and oil and lead and zinc from Mexico.

Senator BRANDEGEE. What do you mean by that?

Dr. INMAN. All we get in this country, practically.

Senator BRANDEGEE. All that we import?

Dr. INMAN. All that we import; yes, all those four and three-fourths of the silver that we import from any part of the world. Certainly our relations have been pretty well with Mexico during the last year, if we have gotten these 4 principal things out of the 12 things that we have to import from all parts of the world from Mexico, and have been entirely dependent on Mexico for them.

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The CHAIRMAN. Doctor, how do they happen to come to us rather than to go to other countries? How do they happen to come into the United States rather than to go to Europe?

Dr. INMAN. Our American manufacturers and business men largely hold the interests down there.

The CHAIRMAN. Oh. The Americans, then, are getting these out in Mexico and bringing the shipments into the United States?

Dr. INMAN. Well, of course——

The CHAIRMAN. It is these American interests, I mean, that own the silver mines and copper mines and oil wells, principally, at any rate?

Dr. INMAN. Yes; probably not so much so with sisal.

The CHAIRMAN. It is through American ownership of those mines and wells that we get the imports?

Dr. INMAN. Yes, sir. But the fact that we have been able to get those out, and the fact that the mines and all those interests have been going, it seems to me is something that is not generally known in this country.

The CHAIRMAN. Would it interrupt you if I were to ask you this question? You have given out in some of your publications or some of your interviews, I think, the fact that some oil companies in Mexico have been paying some Mexican bandit for protection. Do you know anything about that at all?

Dr. INMAN. The only reference that I have made to that, Mr. Chairman, is in a private letter which I sent to various members of mission boards who were in Mexico in February.

The CHAIRMAN. I will ask you about that letter later; but right now I just wanted to ask you about the oil. Do you think it would have been possible for the United States and Great Britain to have gotten along very well in this last year without the oil from Mexico?

Dr. INMAN. I certainly do not.

The CHAIRMAN. You think it was necessary for war purposes?

Dr. INMAN. Yes, sir.

The CHAIRMAN. You know how they got it, do you not? In this letter that you speak of, or in some other statement, you referred to the fact that these oil companies pay tribute to someone. Could they have gotten the oil which was necessary for carrying on this war without paying tribute?

Dr. INMAN. Of course, I could not say, absolutely, but I am inclined to believe that the Carranza Government would have been able to give that protection if they had cooperated with Carranza in the same way——

The CHAIRMAN. But Carranza did charge a tax on every gallon of that oil and received the money for it, did he not?

Dr. INMAN. Yes, sir. I understand so.

The CHAIRMAN. Then they were cooperating with Carranza to the extent of paying all the taxes he levied on them?

Dr. INMAN. Yes, sir.

The CHAIRMAN. If they were paying all the taxes that Carranza levied, why did not Carranza protect them? You say he could have done it?

Dr. INMAN. As I understand the situation, the bandit leader in that part of the country was continued, and therefore it made it very difficult for Carranza to dislodge him.

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The CHAIRMAN. You think that all these oil companies, just simply because they wanted to, were willing to pay tribute; that is, they paid all the usual taxes of Carranza and then, aside from that, they would also support some bandit by paying tribute to him?

Dr. INMAN. No, sir; I do not think so at all; but I think they were mistaken in their judgment about that.

As to financial conditions in Mexico, I recognize what you said this morning, Mr. Chairman, that Mexico has not paid anything on her national debt, I suppose, since 1913. The Mexican Government has had to put those things in abeyance, because it has simply been impossible for them to meet their own necessities and still pay during the time of revolution; but year by year they are increasing their national income and they hope to come to a point very soon where they will be able to pay a per cent of interest on their foreign loans, as well as sustain their National Government.

The CHAIRMAN. If it costs them more year by year to sustain their National Government, and they only advance their income in proportion to their own costs, what hope have the creditors for getting any money?

Dr. INMAN. They have this hope: That about three-fourths of the revenue is now spent on maintaining a very large army, and when that army can be reduced, the bandits having been reduced, the money can be put to other purposes.

The CHAIRMAN. They have had to increase their army every year as their income has increased?

Dr. INMAN. I suppose that they are maintaining as large an army as they can for the putting down of banditry.

The CHAIRMAN. Then, if their income were increased as rapidly this year as it did last year, you think they would increase their army as rapidly as they did last year; is that it?

Dr. INMAN. I should think until they get the bandit situation in control they will give their principal attention to that.

I believe, Mr. Chairman, that conditions are getting very much better in regard to the bandits themselves. I read the Mexican papers and see in those papers accounts both favorable to the Government and in oposition to the Government, of this, that, and the other jefe of the bandit forces having been captured, and the general policy seems to be to shoot the jefe and let the others go. Of course, Morales has been pretty well pacified. The leaders have gone over into Oaxaca, I understand, and with the exception of certain districts in Chihuahua, Tamaulipas, Oaxaca, and Vera Cruz, there are pretty safe conditions. In fact, I do not know of any city or any town of a thousand population in Mexico that is held by any force except the Carranza forces. These bandits come in and attack like they did at Parral. It is a question of taking and holding a town for a day or two and then retiring. Carranza absolutely controls all the State capitals and railroads. The trains are running on practically all of the roads, and Carranza has control of all of the towns, except, as I say, as the bandits come in and take a town and then retire again.

The CHAIRMAN. Where did you get your information that you are now giving us? Through the reading of the Mexican papers that you speak of?

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Dr. INMAN. No, sir; I got it, first, from my own experience down there in January, February, and March, and I got it from the missionaries who are located in all parts of Mexico and with whom I have continued correspondence. For instance, in January there were 22 representatives of mission boards who went to attend a conference in the city of Mexico. Some of them went into Mexico by way of Arizona and went down the west coast through Sonora, through Guadalajara to Mexico City; others came through El Paso, down to Chihuahua and Durango to Mexico City. Others came from Eagle Pass and others from Laredo down through Monterey and San Luis to Mexico City; others through Brownesville and Tampico to Mexico City; others from Vera Cruz. Some of these ladies and gentlemen had not traveled in Mexico and did not speak any Spanish, but they all arrived without any untoward event whatsoever, in the city of Mexico, and we had our conference there. I should be glad to read here a resolution that was passed at the time.

The CHAIRMAN. Give the date of it, please.

Dr. INMAN (reading):

The conference of Christian workers meeting in the City of Mexico, Feburary 17 to 22, 1919, wishes to express its deep gratitude for the cordial way in which it has been received by all the people and for the fact that improved conditions and the open-mindedness of the people permit Christian work to be carried on in all parts of the Republic, with protection and welcome for the workers.

The 20 delegates from the United States, before arriving at the capital, have visited their work in all sections of the country, the routes of some being through Nogales, Sonora, Sinaloa, and Guadalajara; others through El Paso, Chihuahua, and Aguas Calientes; others through Laredo, Monterey, and Saltillo; others through Matamoras, Victoria, Tampico, and San Luis Potosi; and others through Vera Cruz, Jalapa, and Puebla. Such travel has been attended with no untoward incident whatever, and with a far greater degree of comfort than was anticipated.

Many encouraging evidences were found of the fact that the country is slowly but surely returning to normal conditions, socially, economically, and politically. While some outlying districts are still greatly dsturbed, practically all the centers exhibit stable conditions.

We recognize keenly the many difficulties against which the Government is working in restoring the country to a normal life, and register our hearty sympathy with the Mexican people in their earnest struggle toward the real democracy.

We pledge ourselves to do all within our power to promote a closer friendship and clearer understanding between the two neighboring Republics, both by making known in the United States the real developments and deep aspirations we have found among the Mexican people, and by encouraging in every possible way the increase of those institutions and movements which are set to aid Mexico in her struggle toward a new life.

That is precisely, Mr. Chairman, the attitude that I myself represent and which I think all of our missionary forces represent. To me the most significant thing in all the Mexican movement is the fact that there is one force of people who have a positive program for the solution of the Mexican problem which however much it might be quieted with our arms could never be solved. If we should go into Mexico with our army, we would only hope to quiet the country and put in a program of education and development. The missionary forces have been working on that in a very small way during the past, but during the last five years they have made a very extensive and scientific study of what the Christian forces of North America could do in a large way toward the real solving of the Mexican problem.

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We believe that it is not a revolution that ought to be squelched, but it is an evolution that ought to be guided, and we have worked out during the last five years this positive program which is outlined in this little pamphlet.

I am aware that some people may say that it is entirely too small a thing for us to consider in out international relationships, but as I said this morning, the young men who have large influence in Mexico at the present time, a great many of them, are identified with our churches and a number of others have been under the influence of the American churches, who have been teaching them the spirit of democracy as we interpret it here in our country.

The CHAIRMAN. Would you object to giving us the names of some of those people, besides Prof. Osuna?

Dr. INMAN. Prof. Moises Saeng, who is at present head of the National Preparatory School in the City of Mexico.

The CHAIRMAN. What influence has he with the Carranza Government or with the people of a special nature?

Dr. INMAN. He has probably the most influential school in Mexico. I mean it stands even ahead of the national university in influence. During all of these years it has been looked upon as the great national school where most of the——

The CHAIRMAN. During what years?

Dr. INMAN. Since its organization some 30 years ago, during the Diaz régime, as well as at the present. In other words, the National University in Mexico is more or less a name, but the National Preparatory School is where every young Mexican of intellectual attainments looks forward to attending and fitting himself for a professional career.

His brother, Aaron Saeng, is also one of these young boys that I used to know in Christian Endeavor Society down there, but who has come up now. I think at the present time he is the minister from Mexico to Brazil. He was chief of staff for Gen. Obregon while Obregon was secretary of war.

The CHAIRMAN. Have any of these young men you speak of any official connection with the Carranza Government through which they hold Government positions?

Dr. INMAN. This appointment of Mr. Saeng, for example, was directly made by President Carranza.

The CHAIRMAN. I understand; but he is in Brazil; he is not in Mexico. I am speaking of those in Mexico.

Dr. INMAN. I mean Mr. Saeng, the head of the National Preparatory School. That is the position dependent upon the President of the Republic for appointment.

The CHAIRMAN. I mean in an official position, as official adviser in matters of government, and so forth. Have any of these young men that you speak of such positions? Luis Cabrera, for instance——

Dr. INMAN. No, sir.

The CHAIRMAN. Any of the other members of the cabinet or in the National Government in any way?

Dr. INMAN. Yes, sir.

The CHAIRMAN. In an official way?

Dr. INMAN. There is a senator, Jonos Garcia, who is a former Protestant minister, and there are several congressmen.

The CHAIRMAN. How many senators are there?

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Dr. INMAN. You mean entirely?

The CHAIRMAN. Yes, sir.

Dr. INMAN. I don't recall, Mr. Chairman.

The CHAIRMAN. There are two from each State, are there not?

Dr. INMAN. Yes. There is Mr. Alphonso Arera, who is secretary of the university, and one of the chief advisers in educational affairs. While I take it he is not a member of any Protestant church, yet he is very sympathetic, and he just returned from eight years in Columbia University. It is the influence on education particularly of these things.

The CHAIRMAN. Yes; I understand that you have several Protestants at the head of or connected with part of the educational institutions, either of the Government or private institutions. Of course, my question was directed to the influence directly upon the Government itself by any of these men occupying any such position. I misunderstood when you made the general statement as to the influences which are existing there. I misunderstood you. I thought you had reference to some official position they might have as governors of the States or in some official capacity.

Dr. INMAN. Well, I mean that also, Senator.

The CHAIRMAN. You mentioned 1 member of the Senate out of 54.

Dr. INMAN. Mr. Paralta is a congressman. I could give you a list of those. I think there are several.

The CHAIRMAN. There are more than 100 congressmen, of course?

Dr. INMAN. I mean there are several Protestants in Congress.

The CHAIRMAN. Yes.

Dr. INMAN. So far as those who have been educated in American schools are concerned, in American schools in Mexico, they are quite numerous. I don't suppose there are any two men in Mexico that are more highly regarded by the President and have more influence with him than Adrios Osuna and Azor Osuna. These two brothers are quite prominent in our work.

The CHAIRMAN. This morning you said Mr. Osuna had informed you that Mr. Carranza was opposed to some provisions in the constitution?

Dr. INMAN. Yes.

The CHAIRMAN. Article 271, if I recall it, and some other provisions.

Dr. INMAN. He said the radical provisions of the constitution.

The CHAIRMAN. Did not Mr. Osuna meet some of the other governors on the border recently for a conference? Did he not meet Gov. Hobby, of Texas, there?

Dr. INMAN. Probably so.

The CHAIRMAN. You don't recall whether or not he at that time defended the radical provisions of the constitution himself, whether Mr. Osuna did.

Dr. INMAN. No, sir.

The CHAIRMAN. You don't know whether he did or not, you mean?

Dr. INMAN. I don't know whether he did or not. I don't believe he did. I don't believe he would, I mean. Of course, I never heard any reference to that at all.

The CHAIRMAN. You speak of the influence with reference to the schools. Have you had your attention called to the closing of the

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schools at the City of Mexico, in the municipality of the federal districts, lately?

Dr. INMAN. At what time?

The CHAIRMAN. Just very recently.

Dr. INMAN. I knew of a teachers' strike down there on account of not receiving their salaries.

The CHAIRMAN. Was that a general strike?

Dr. INMAN. I understood it was a strike of the primary teachers in the City of Mexico and some probably in the federal districts.

The CHAIRMAN. Do you know of anything about machine guns having been used to put down that strike?

Dr. INMAN. No, sir.

The CHAIRMAN. You read Spanish, do you not?

Dr. INMAN. Yes, sir.

The CHAIRMAN. See if this will inform you as to the closing of schools for any other reasons [handing witness a newspaper clipping]. Have you had your attention called to that?

Dr. INMAN. No, sir. I think I ought to say, however, that this refers to municipal schools, and the municipal schools in Mexico are very few indeed. The federal treasury has largely supported the public schools of Mexico, and during the last 10 years there has been this endeavor of the Federal Government to pass on to the municipalities the responsibility for maintaining the schools. However, it has generally been a failure, because the municipalities, either because of their lack of interest in education or their deep interest in politics, would not conduct these schools in a satisfactory way.

The CHAIRMAN. Then your information is that formerly the national government supported the schools?

Dr. INMAN. And that they are largely supported by it at the present time.

The CHAIRMAN. Is you information to the effect that under Diaz's administration the public schools throughout the Republic of Mexico were supported by the national government?

Dr. INMAN. Except in a very small number of cases; yes.

The CHAIRMAN. I have been familiar with Mexico for thirty-odd years, and I never heard of it. It is news to me.

Dr. INMAN. I sat on what might be called the board of trustees of one of the municipalities, and I know that they endeavored at one time to turn all the responsibility over to the municipalities. That was in the State of Coahuila.

The CHAIRMAN. That is in States. You certainly differentiate between States and the nation, do you not?

Dr. INMAN. Certainly, I do.

The CHAIRMAN. Do you mean to say the national government, itself, was supporting the State schools?

Dr. INMAN. Yes, sir; I mean to say the national government was supporting those schools.

The CHAIRMAN. In what way?

Dr. INMAN. By directly sending their salaries there, and they got their checks from the national treasury. This refers to that small number of schools that were supported by municipalities.

The CHAIRMAN. Do you understand that article to state that? What was the strike of teachers you referred to a little while ago? You said that was a strike of national school teachers?

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Dr. INMAN. There has been an endeavor recently, as I say, to pass on that responsibility, and it has played back and forth. They never arrived at a decision. Now, in the federal district, the district had taken upon itself the supporting of the schools. The federal district did not pay the salaries.

The CHAIRMAN. Are you not getting mixed up, Doctor, between the federal districts, the States of the union, and the nation, itself?

Dr. INMAN. I think not.

The CHAIRMAN. We have a little different government in the Federal District than that of the States.

Dr. INMAN. I don't think I am mixed up, myself. Maybe I have mixed up my statements. So far as the illustration about the strike is concerned, in the federal district, which we will call the municipality, in the municipality of the City of Mexico, the government has demanded that this municipality take upon itself the responsibility of paying the teachers. They did so, but they did not pay the teachers, and the teachers struck. The solution of the strike was throwing back on the national treasury again the payment of the teachers of the City of Mexico, and that is the way the strike was settled.

The CHAIRMAN. The teachers, then, are being paid now by the national government?

Dr. INMAN. By the national government; if that has not been changed within the last few weeks.

The CHAIRMAN. Why were these teachers not being paid by the national government, that this article refers to?

Dr. INMAN. That is simply one of those points of confusion, as I say, which have existed for a number of years between the municipality and the national government.

The CHAIRMAN. Where is the municipality of Tacubaya?

Dr. INMAN. That is in the Federal District.

The CHAIRMAN. That is in the Federal District?

Dr. INMAN. Yes, sir.

The CHAIRMAN. Where is Guadalupe Hidalgo?

Dr. INMAN. I think it is in the Federal District.

The CHAIRMAN. Tlalpan?

Dr. INMAN. I think it is in the Federal District.

The CHAIRMAN. Ixtapalapa?

Dr. INMAN. I think it is in the Federal District.

The CHAIRMAN. Mixcoac?

Dr. INMAN. I don't know about that.

The CHAIRMAN. Coyoacai?

Dr. INMAN. I don't know about that.

The CHAIRMAN. Xochimilco?

Dr. INMAN. Federal District.

The CHAIRMAN. As a matter of fact, all these municipalities that you speak of, that are represented in this article to which I called your attention, are in the Federal District of which you are now talking, where the strike of these teachers occurred?

Dr. INMAN. Well, but in the City of Mexico the national government took over the payment of the teachers, and that is the way the strike was settled. If they haven't taken over the payment of teachers, it would mean the strike is continuing.

The CHAIRMAN. There is no strike mentioned in this article from the Mexico City paper.

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Dr. INMAN. Simply that the schools were closed.

The CHAIRMAN. That the schools were closed for lack of funds.

Dr. INMAN. It would be the same in the City of Mexico if the national government had not paid the bills. They simply refused to pay the bills in those particular municipalities.

The CHAIRMAN. Doctor, to go to another subject now, you spoke awhile ago about sisal industry in Mexico. I call your attention to the fact that that industry is confined to the State of Yucatan. Who, recently, since the incoming of the Carranza administration, brought order out of chaos there, if anyone, with reference to the sisal industry? Do you remember?

Dr. INMAN. Do you refer to Alvarado?

The CHAIRMAN. Yes; Gen. Alvarado. He was the governor of that district for a long while, was he not?

Dr. INMAN. Yes, sir.

The CHAIRMAN. Did you know him?

Dr. INMAN. No, sir.

The CHAIRMAN. Well, you have read of the socialistic enterprise that he entered into down there, have you not?

Dr. INMAN. Yes, sir.

The CHAIRMAN. You approved of that, did you not?

Dr. INMAN. I don't know as I did, because I never understood it.

The CHAIRMAN. Oh, you did not?

Dr. INMAN. No, sir.

The CHAIRMAN. I supposed you had studied it. I know a good many people here have, and have approved of it.

Dr. INMAN. There are so many different reports about that I never could form an opinion.

The CHAIRMAN. You say you knew Alvarado, or knew of him?

Dr. INMAN. I didn't know him.

The CHAIRMAN. You knew of him?

Dr. INMAN. Yes, sir.

The CHAIRMAN. He has been one of Carranza's staunchest supporters, has he not?

Dr. INMAN. Well, I take it so, although he has criticized Carranza.

The CHAIRMAN. Do you know Pablo Gonzales?

Dr. INMAN. I never met him, personally.

The CHAIRMAN. You know who he is?

Dr. INMAN. Yes, sir.

The CHAIRMAN. He is the general commanding the City of Mexico?

Dr. INMAN. Yes, sir.

The CHAIRMAN. Has his relations with Gen. Carranza been close or otherwise?

Dr. INMAN. I don't know, Senator.

The CHAIRMAN. Do you know Gen. Dieguez, commander of the department of the northwest or north?

Dr. INMAN. No, sir; I do not.

The CHAIRMAN. Do you know of him?

Dr. INMAN. No more than simply the name.

The CHAIRMAN. Do you know Gen. Fortunato Zuazua, who is in command in Coahuila and Tamaulipas and those States, and who

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recently issued a proclamation that everything was quiet and peaceable there?

Dr. INMAN. No, sir.

The CHAIRMAN. You do not know the military commanders at all in the district you are operating in down there?

Dr. INMAN. Why, except there were some few that were friendly before they went into the military service.

The CHAIRMAN. You were stationed at Saltillo for a number of years?

Dr. INMAN. Only for a few years. I was largely at Monterey and Pedros Negros.

The CHAIRMAN. When did you first go to Monterey and Pedros Negros?

Dr. INMAN. In 1905 I went to Monterey.

The CHAIRMAN. How long did you remain at Monterey and Pedros Negros and Saltillo?

Dr. INMAN. I was in the country altogether for 10 years. A few months in Saltillo and a large part of the time at Piedras Negras.

The CHAIRMAN. Among the military men in Mexico and among the governors, and—and they are generally a combination, I believe, of military and civil statesmen—they are staunch supporters of the Carranza administration, are they not?

Dr. INMAN. Well, I don't feel I could answer that, Senator.

The CHAIRMAN. Well, now you spoke of sisal being a large industry there. Alvarado, whom you mentioned, had entire charge of the sisal industry, did he not?

Dr. INMAN. I really don't know whether he did or not. I don't know the details of that.

The CHAIRMAN. Well, you have written a book on Mexico, have you not?

Dr. INMAN. Yes; but I never touched that, because I have never been clear about the situation in Yucatan.

The CHAIRMAN. Have you read the last criticism or the open letter of Citizen Alvarado addressed to Mr. Carranza and Gens. Gonzales and Obregon?

Dr. INMAN. I have read the reports in the American papers, but not the originals.

The CHAIRMAN. This is Spanish. You read Spanish?

Dr. INMAN. Yes, sir.

The CHAIRMAN. Would you object to reading some of those passages, first to yourself, and then preparing yourself to answering some questions about it? They are various passages which are underscored in the article which I have handed the witness.

Dr. INMAN. That was practically summarized in our press, was it not?

The CHAIRMAN. I don't remember, Doctor, whether it was or not. I was very much interested in reading it.

Dr. INMAN. It has been reported twice.

The CHAIRMAN. I was so much interested in reading it that I have had a translation made of those matters which are marked in the article.

Dr. INMAN. I read the summary, and I think it is pretty well covered here.

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The CHAIRMAN. From your knowledge of Mexico, do you think the statements of Gen. Alvarado correctly set forth the condition in Mexico or not?

Dr. INMAN. Well, I think that, of course, he could probably substantiate what he says, but I think he has exaggerated it, just like all politicians do. Of course, you have referred already to the fact that Gen. Alvarado is more or less of a socialist, and coupled with that fact he is a candidate for the presidency.

The CHAIRMAN. Oh, is he?

Dr. INMAN. Yes. He has recently started a newspaper in the City of Mexico to advance his candidacy for president.

The CHAIRMAN. Is he at the present time holding office by appointment of Gen. Carranza?

Dr. INMAN. No, sir; I don't think he is. I think he has retired from the Carranza Government.

The CHAIRMAN. Do you know when he retired?

Dr. INMAN. It is my recollection that he retired when he established this paper, or a few months ago.

The CHAIRMAN. He is not the general in command of the Carranza forces for the department of the southwest and south?

Dr. INMAN. No, sir.

The CHAIRMAN. Was he?

Dr. INMAN. In Yucatan; yes, sir.

The CHAIRMAN. Only in Yucatan?

Dr. INMAN. I don't know how far his jurisdiction extended.

The CHAIRMAN. However, he held the office of governor of Yucatan for some time?

Dr. INMAN. Yes, sir.

The CHAIRMAN. Do you mean that is when he retired and that he has not held office since that?

Dr. INMAN. No, sir. I understand he has retired during these last few months, when he began his paper in the city of Mexico; that he thought he could do more good on the outside of the administration than he could on the inside; that it would give him a free hand. Of course, he is running his paper, and I think it is natural for a candidate for the presidency in Mexico, as well as in the United States, to make a few exaggerations in his statements. And taking it also into consideration that he is a socialist and has these idealistic things before him, it is very natural.

The CHAIRMAN. You think it is only the candidates for office in Mexico who make wild statements?

Dr. INMAN. I wish it were only the candidates for office.

The CHAIRMAN. Do you think Gen. Carranza does not make any statements except those that are absolutely correct?

Dr. INMAN. No, sir. I don't want to impress you, Senator, as being a defender of Mr. Carranza at all.

The CHAIRMAN. Well, I have been accused of having attacked him, and I wanted to find some one who would defend him.

Dr. INMAN. I defend Mr. Carranza's personal character, as I have known him as a neighbor, and his intentions, and that sort of thing, but I certainly recognize that he has made a lot of mistakes.

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The CHAIRMAN. You were speaking, doctor, of some of your people having gone down to the City of Mexico, by way of Guaymas, entering at Guaymas, by Laredo, and El Paso?

Dr. INMAN. Yes; up through Nogales.

The CHAIRMAN. In La Gaceta of Guaymas, Sonora, under date of Monday, August 4, 1919, I call your attention to an article in reference to the raid of the Yaqui Indians on the town of Guaymas, and the condition of people there with regard to protection. I think that is the purpose of it. Does that state the conditions in Guaymas?

Dr. INMAN. Don't understand me to say those raids are not occurring every once in a while.

The CHAIRMAN. I think there is some reference in that article to the effect that prior to the revolution they had not occurred for a hundred years or something like that.

Dr. INMAN. Senator, you certainly remember that the Yaqui Indians have always been giving trouble over there.

The CHAIRMAN. Oh, I have been among them, yes; but I don't recall any raids on the city of Guaymas. The city of Guaymas is one of the oldest cities and one of the principal shipping points on the western coast of Mexico, is it not?

Dr. INMAN. I agree with you absolutely there are more raids in Mexico now than there were in the latter days of the Diaz administration.

The CHAIRMAN. I understand, but you are now testifying as to the improved conditions in the last year in Mexico?

Dr. INMAN. Yes, sir.

The CHAIRMAN. If you will read that article there possibly you might note that they do not think so, although Sonora is generally proclaimed to be the quietest State in the Union.

Dr. INMAN. You notice that refers to 10 bandits who entered the city.

The CHAIRMAN. Yes; and the capture of certain citizens in the city.

Dr. INMAN. That simply comes back to the point that I endeavored to make this morning, that they are coming out of conditions such as we had to come out of in our western life, 40 or 50 years ago.

The CHAIRMAN. Their life is very much older than our western life, is it not? Do you know when Guaymas was settled?

Dr. INMAN. No; I do not.

The CHAIRMAN. Do you know about the Spanish expedition into New Mexico in 1541? Do you know where it started from?

Dr. INMAN. No, sir.

The CHAIRMAN. It started from Mazatlan, just below Guaymas, the next seaport below. It might interest you, Doctor, to go back into old Spanish history a little before you write another book on it.

Dr. INMAN. Well, maybe I will.

The CHAIRMAN. You will find they had their churches and their schools from 1550 right there in that neighborhood, and from then on down to the present time, and they had sixty-odd revolutions before Diaz.

Dr. INMAN. Well, as I say, my belief is that those people are going through a process of evolution, and I have no desire at all, even if I could make this committee believe it, to impress you with the

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idea that there is a fine condition of things in Mexico at the present time. I recognize there is not, absolutely.

The CHAIMAN. The committee gives you credit for being absolutely sincere, of course, in what you are trying to do.

Dr. INMAN. You have referred several times to my book. Of course, it just simply represents a few things I have thought.

The CHAIRMAN. I understood you to say that you have in your book what you learned in your last trip down there?

Dr. INMAN. No, sir. The book is an endeavor to interpret my view of Mexico, which I have been establishing during the last 15 years, during which time I have been in direct contact with it.

Senator BRANDEGEE. What is the name of your book?

Dr. INMAN. Intervention in Mexico.

Senator BRANDEGEE. When was it published?

Dr. INMAN. It is just off the press. I will be very glad to leave a copy with the committee.

The CHAIRMAN. We will be very glad to have it.

Dr. INMAN. I do not want to work off any of my own personal material on you, but if you care for it, I might sell a few copies.

The CHAIRMAN. The purpose of the committee is to get all the truth, and when you make a general statement we want to know upon what it is founded. There is enough general talk about Mexico, and this committee is charged with the duty by the United States Senate of attempting to ascertain the actual truth about Mexico, and then to report to the Senate what the truth is, as near as we can discover.

Dr. INMAN. I recognize that, Senator, and come with the same frankness and the same attention.

The CHAIRMAN. And we thank you for it.

Dr. INMAN. And I am rather imposing a theory, if you please, right or wrong. I don't claim it is right, but it is a theory that I absolutely believe in, and I have come to that theory of course because of certain things which appear to me to be facts, and I am profoundly convinced of the fact that Mexico has gone through a revolution, a real revolution.

The CHAIRMAN. Yes; we think so.

Dr. INMAN. And there has been a lot of fighting down there to bring about a better condition, and there are a lot of young fellows who are interested in making those conditions a great deal better. I came in contact with those young fellows some years ago. I had something to do with teaching them democratic life. I started to teach the constitution in Mexico, when I was told by the Diaz authorities that that was not a thing to be taught in Mexico, that the constitution was something to be kept behind glass doors, to be exhibited, but not to be taught in an institution. Those are theories I have developed in coming in contact with the young life in Mexico during these years.

The CHAIRMAN. You are personally acquainted with Mr. Carranza and were before he led this revolution?

Dr. INMAN. Yes, sir.

The CHAIRMAN. And you have expressed admiration for him as a citizen. And he is a lawyer, is he not?

Dr. INMAN. Well, I think he studied law when he was a young fellow, but rather went into the ranching business.

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The CHAIRMAN. You are familiar with his program of revolution, the plan of Guadalupe?

Dr. INMAN. Yes; I have read that program.

The CHAIRMAN. And you have read his authority to lead the revolution, his statement that it was based upon the constitution, in the program of the plan of Guadalupe?

Dr. INMAN. Upon the old constitution.

The CHAIRMAN. He cited an article of the constitution as the basis for his authority to lead the revolution, did he not?

Dr. INMAN. I think so.

The CHAIRMAN. He had reference to the constitution of 1857, and the amendment of it up to 1874, did he not? That was the constitution he was talking about?

Dr. INMAN. I suppose so.

The CHAIRMAN. And it was upon his agreement of 1915 to restore the constitutional government that he was finally recognized by this Government, was he not?

Dr. INMAN. I suppose so; but I am not prepared to answer that question positively.

The CHAIRMAN. Of course, you have the lines upon which you have been writing and thinking, and this committee is not composed of theorists; we are trying to get at the facts. This Government recognized Mr. Carranza on and under the constitution of 1857. That is not in existence now, is it?

Dr. INMAN. I think the constitution of 1917 superseded that.

The CHAIRMAN. And there has never been any protest or trouble between this country and the Mexican Government concerning any provisions of the old constitution of 1857 or 1874, but only concerning the new constitution of 1917? Is that not correct? I mean protest as to the constitution itself?

Dr. INMAN. Not that I know of.

The CHAIRMAN. You do know that various protests have been made by this Government to the Carranza Government with reference to the present constitution, particularly article 27?

Dr. INMAN. Yes.

The CHAIRMAN. And this Government has declined to recognize at least article 27 of that constitution. In your judgment, would that have any effect upon the question of whether Mr. Carranza is at the present time recognized as the President of Mexico by this Government or not?

Dr. INMAN. In my judgment it would not have?

The CHAIRMAN. Now, I am going to ask you to take this copy of the El Heraldo and look at those portions of the Salvador Alvarado article that are underscored, and see if you correct this statement of amendment of interpretation or translation which I have, or whether this is correct. He states in his letter to Mr. Carranza, and he also mentions Gen. Obregon and Pablo Gonzalez—

* * * We are not believed, nor are our statements taken into account, and this is quite natural after so many years of domestic strife and of failure to comply with our foreign obligations.

Do you find that correct?

Dr. INMAN. Yes, sir.

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The CHAIRMAN. The second translation that I have is as follows:

* * * On the other hand, can President Wilson turn a deaf ear to the clamor of his people, however committed he may be to the policy he has in Mexican matters?

If each objection that he raises is answered with the news of a fresh assault, of another murder, of a further dynamiting of a train * * *

Dr. INMAN. I beg your pardon; would you just repeat that first portion?

The CHAIRMAN (reading):

* * * On the other hand, can President Wilson turn a deaf ear to the clamor of his people, however committee he may be to the policy he has followed in Mexican matters?

If each objection that he raises is answered with the news of a fresh assault, of another murder, of a further dynamiting of a train * * * etc.

It is necessary to inaugurate a policy * * * In order to achieve it, it is essential that we loyally observe our international obligations.

* * * Up to now, our incapacity to pacify the country is manifest. There are still regions in the power of the rebels, which do not recognize the federal government; while others, although occupied by federal troops, are also the hunting ground for innumerable rebel bands who avoid combat and are devoted to an interminable labor of extermination. The result is that there are few states in which life and property in the fields are not at the mercy of bandits, where insecurity prevails. Live stock has disappeared; mining is almost paralyzed, and agriculture subsists in a highly precarious manner. Those who dare engage in operations of this kind are forced to pay all kinds of exactions, and those who temporize with the rebels in order to be able to live in peace run the grave danger of being considered accomplices of the bandits.

To this critical situation there must be added the exorbitant taxes which make it even more unbearable * * * the federal budget a few years ago amounted to a little over one hundred million pesos, and to-day, with a large part of these sources of income closed and the remainder in a critical condition, the budget has been doubled; and the same thing has happened with the budget of states and municipalities.

The persistence of the revolt and of the banditry maintains the country in a constant state of uneasiness, while discontent daily grows among law-abiding, peaceful and working men.

* * * But when this persistence is prolonged, without its intensity being diminished * * * it is necessary to look for the causes carefully. The character of this document compels us to speak, in a general way, of some of them.

* * * The election of authorities does not represent the manifest wishes of the governed. It is quite a common occurrence for governors working with the military chiefs to impose in the most shameful manner picked candidates. On the one hand, the discontent which this produces, and on the other, the use of forces in these ignominious farces, instead of their being utilized in their true mission, which is that of guaranteeing order, allow the continuance of this banditry, and in some cases its increase.

* * * It would be enough if the forces won the affection and regard of the inhabitants of towns for the banditry to be extinguished of its own accord * * * But this can not be done so long as there are forces that commit more robberies and outrages than the rebels themselves.

* * * It may be figured that 100 men, between soldiers and rebels, are killed daily, making a yearly total of 36,000 men. These casualties are of men able to work, and the number will be appalling if the state of revolt continues.

* * * It is very far from my purpose to generalize in stating that the causes of the revolt lie in the abuses of the authorities and of the military chiefs charged with the pacification, since I can testify to the fact that there are among such some very honorable and conscientious men; but, unfortunately, there are others who are the direct and sole cause of the discontent prevailing in the region where they operate or govern. Their outrages and exactions are so irritating and notorious that if the inhabitants of the regions where they have pitched their camps have not risen in arms it is due to the fear and the weariness that afflict their souls.

* * * I have never believed that the hiding of facts is advantageous to any government, and still less the hiding of those facts that are of common

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knowledge, such as those that I have used as the basis for this letter * * * It is then necessary to confess that if a different policy had been followed, we should by now have an efficient army and the country would be at peace. The army is costly and deficient, not precisely because of the members comprising it but because of its bad organization and administration. It is said that it is composed of 120,000 men. There have been both time and money to purify it, so that with 75 per cent of what it costs to-day, we might have had an army of 60,000 to 70,000 real soldiers, well fed, trained, strong, and disciplined.

* * * We see how our political life passes successively from one extreme, sterile, irresponsible, obstructionist parliamentarism, to the other, despotic, absorbing, corrupt, and ultra-personalistic presidentialism. Our fundamental law * * * is producing unexpected and disadvantageous effects, through lack of conscientious regulation. It is sufficient to cite articles 27 and 125, which require for their regulation and ability that has up to now not been demonstrated by the legislators.

* * * The taxes of all kinds that are being levied throughout the country are unbearable, and it is not possible that business and the public can stand them indefinitely.

* * * The administration of justice has never enjoyed a good name in our country, but its present reputation could not be worse; a wave of shameless and cynical immorality pervades the acts of judges and shysters, who sell justice to the highest bidder. It is true that the integrity of the justices of the supreme court has not been questioned; but the disorder and confusion prevailing in our laws is so appalling that this high tribunal can exercise practically no influence at all.

* * * The much-discussed petroleum problem is less difficult of adjustment than at first glance appears. The assuring of the true national interests is not incompatible with satisfying the legitimate demands of holders of oil-lands.

* * * As the so-called education is to-day imparted in our schools, we are merely producing hot-house erudited, ready candidates for bureaucracy and the tall-hat sponger.

* * * Retinues of ignorant assassins at the call of chieftains whose sole aim is to attain power and wealth! And yet what a tremendous potential strength lies in this huge mass of beings, suspicious and distrustful of the greed and immorality of the half-breed!

* * * No one thinks of the man; let him die like a dog in the gutter. * * * There are lots, and more are born every day! In the City of Mexico alone 8,000 children die yearly who might be saved if they had better houses, sufficient and wholesome food and the care required for their development and keep. How many more perish throughout the Republic, and how many adult die through lack of subsistence and through ignorance. And how many thousands of able-bodied men die yearly through the prolongation of the revolt! If we glance over the daily news items, we shall see a combat here, an assault there, and everywhere an uninterrupted, continual blood-letting! Who does not know of the hideous hygienic conditions of our country! Dwellings, food, slums, clothing, and ignorance are the agents of death and destruction!

* * * No money! There is always enough and to spare for decorative works, the so-called material improvements. There is always money for arms, for ammunition, for combinations, for banquets, for the enrichment of inner circles and for assuring a future. * * *

* * * I shall not close this brief review of conditions without citing what is, in my judgment, the gravest and most fundamental of all; the loosening of all moral restraint in the immense army of public servants. There are stories by the score of immorality, of briberies, of subornation, of business deals, of thefts; it is a wave of immorality that threatens to engulf everything, with not one single thing left upright and without strain.

And the most alarming symptom is the state of public opinion which, deadened, tolerant, and charitable, neither shows indignation nor does it rise in anger and righteous cursing, nor again does it spit its hatred and scorn in the face of the evil-doers.

* * * Let us change the corrupt system that now prevails and we shall see men of high principles come to the fore who now struggle in vain against the general corruption.

* * * Furthermore, the general indifference toward the elections has its origin in the disillusionment that the nation has experienced at the sight of our inability to satisfy its needs, breaking the promises made by the revolution, and at the proof of the lack of loyalty and magnanimity of many of the revolu-

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tionists toward the revolution. * * * Woe to us if we allow this great social movement * * * to be prostituted merely to satisfy the animal appetites of a few rascals who instead of governing States and commanding troops should be occupying cells in a penitentiary. * * * It is an easy matter to destroy; anyone can dynamite a train, cut down trees or destroy crops. On the other hand, to construct or to rebuild calls for knowledge and virtues of which, unfortunately for the country and to our shame, we have proved ourselves lacking.

* * * Bad, very bad, will our administration be in Mexico so long as we continue to commit the traditional absurdity of intrusting the whole life of the country to a single man, with power to dispose of huge sums of money, of the army, of the navy, of deciding all the public and private affairs of all the inhabitants of the country, with power to declare war and to make peace, to enrich or ruin whole regions, to make or mar industries; on whose will depends the success of every business and enterprise.

* * * The conviction exists abroad that we shall continue to be a troublesome neighbor that will not comply with his obligations until the strong nations come to a decision that will force us to change our policy.

What do you think of that statement of Gen. Alvarado as representing generally the conditions in Mexico?

Dr. INMAN. Well, I have said myself that conditions are very bad; that there is a great deal of graft in the army; and that before Mexico can do very much that graft would have to be eliminated. That is one of the reasons I am interested in the mission work in Mexico.

The CHAIRMAN. That is the reason I was asking it, as to what part, if any, the people of whom you are speaking as the higher class of young people, whom you have been assisting in educating, will take; and that is the reason I have been trying to ascertain from you what course, if any, they were taking in governmental affairs. I do not mean with reference to schools where their work is wonderfully successful, but I mean in directing governmental affairs in Mexico—State or municipal government or National Government.

Dr. INMAN. I would be very glad to submit a list of those, Mr. Senator. It would take some little investigation.

The CHAIRMAN. Of course, you would not admit that any of the charges of Alvarado apply to any of those people whom you spoke of?

Dr. INMAN. Unless some man had fallen from grace that some people believe him.

The CHAIRMAN. He was undoubtedly referring to officeholders and others.

Dr. INMAN. I think it is the general impression in Mexico that the army is weak, that it is full of graft, and that there is one of the big problems Carranza can not trust his army.

The CHAIRMAN. That is the reason I ask you as to your general knowledge of Gen. Fortunato Zuazua. You do not connect him in your mind with any occurrences in Mexico relating to American affairs?

Dr. INMAN. No; I do not.

The CHAIRMAN. Do you remember when the Red Cross was doing work in Coahuila and other States of the north at the same time that they were doing work in the City of Mexico, just before the Carranza recognition?

Dr. INMAN. Yes.

The CHAIRMAN. Do you remember the occasion of an attack upon a Red Cross train in the State of Coahuila below the border?

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Dr. INMAN. No; I do not.

The CHAIRMAN. Occurring shortly before Carranza was recognized?

Dr. INMAN. I think I was in South America at that time.

The CHAIRMAN. Then, you do not remember Miss Boardman's reports, or the Red Cross reports of those who had charge of the work down there?

Dr. INMAN. Well, I remember those reports, just in a general way.

The CHAIRMAN. Do you know Mr. Weller, who was in charge of the Red Cross work in the northern part of the Republic?

Dr. INMAN. No.

The CHAIRMAN. You have never read his report?

Dr. INMAN. No.

The CHAIRMAN. You have read the Red Cross Magazine reports as to the work that they were doing in Mexico?

Dr. INMAN. No; I think I was out of the country at that time.

The CHAIRMAN. You do not know how the Red Cross happened to come out?

Dr. INMAN. Well, I have understood that they came out because they could not work down there.

The CHAIRMAN. Well, do you know who ordered them out, or if they were ordered out?

Dr. INMAN. No; I do not.

The CHAIRMAN. You do not know that Carranza ordered them out and insisted that the Government should bring them out?

Dr. INMAN. No; I did not know about that.

The CHAIRMAN. Doctor, I would recommend that you add another chapter to your book, and in doing so that you investigate Gen. Fortunato Zuazua.

Dr. INMAN. Senator, how many chapters do you think it would take for me to cover all these things?

The CHAIRMAN: I think you should take these matters into consideration if you are informing Christian people of the conditions in Mexico, Doctor. I am frank to say that.

Dr. INMAN. Do you think that everybody who treats the Mexican question takes all sides of it into consideration?

The CHAIRMAN. I do not know, but this committee is going to do it, if it is humanly possible. Of course, we are not infallible, and we may err, but it is the determination of this committee to go into every part of it and give the American people a picture of Mexico.

Dr. INMAN. I hope so.

The CHAIRMAN. You are from that part of the country. This man has just recently written a communication which, to some extent, would corroborate your statement here as to peace and good order existing in Coahuila, Tamaulipas, and elsewhere, and I may say to you that I think an examination of the penitentiary records of Mexico would disclose the fact that he was released from the penitentiary where he had been incarcerated for theft and at once joined the revolution, and that he was a man that joined Villa in an attack upon a Red Cross train and tore the flag from the train and trampled it under his feet.

Dr. INMAN. I am not criticising, Senator.

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The CHAIRMAN. The church work down there is the side at which you are looking, and this committee is charged with the investigation of the entire matter. We do not like to be criticised, as we have been, by the League of Free Nations or others as going into it in a prejudiced way.

Dr. INMAN. I have never done anything of that kind. I have never criticised the committee.

The CHAIRMAN. There is nothing personal anyway. I simply want it understood now that we are going to examine everyone that comes before us. Mr. Doheny is here, and he will receive the same character of examination as all other witnesses. He is one of the oil men.

Dr. INMAN. I am very glad, indeed, to have your questions.

The CHAIRMAN. You are reporting to your people as to conditions, and I am frank to say that I do not think you know all of the facts.

Dr. INMAN. Well, I do not think so either. I hope I have not given the impression, Senator, that I believe I know all the facts.

The CHAIRMAN. Now, I was going to call your attention before we get through to a letter, which is my reason for making the statements to you that I have made. This is your letter of July 31, 1919, I think, is it not?

Dr. INMAN. Yes, sir.

The CHAIRMAN. That was yours?

Dr. INMAN. Yes.

The CHAIRMAN. I will file that and have it printed in the record.

(The letter above referred to is here printed in full as follows:)

JULY 31, 1919.

To representatives of the mission boards present at the Mexico City conference, February, 1919:

I hope this letter will act as a riot call. It looks as though all our great missionary program in Mexico is to be destroyed. Intervention in Mexico is coming just as fast as certain interests can possibly force it. You have, no doubt, been following the hearings in Congress concerning the Mexican question and have seen how, by the calling of only a certain class of witnesses, all is made to play into the hands of the interventionists. I have just returned from a meeting called by the League of Free Nations Association to discuss what should be done to stop what seems to be the inevitable—armed intervention in Mexico. There were present some newspaper men and others, who have recently been to Mexico and have also been in Washington working against intervention.

The revelations that a newspaper man made concerning the amount of money being spent by the oil interests to manufacture propaganda in favor of intervention are simply appalling. While I have had evidence of this propaganda for some time, I had no conception of its enormity until the facts were laid before me. The man who has gone into the matter most thoroughly says that the oil men have large offices in Washington and New York with unlimited supplies of money to carry on this propaganda; that they are playing not simply for the oil wells in Tampico and Vera Cruz, but for a much larger stake; that they have found out that Mexico is full of oil; that while they admit that Carranza so far has not confiscated their properties and has promised not to do so, what they want is the United States to get a hold of Mexico so that they can easily obtain the billions of dollars of oil properties, which are certain to be developed in the future. You see, then, what very large stakes they are playing for and why they are willing to spend unlimited amounts of money and to stop at nothing in order to bring about their purposes. When the country has been worked up just a little bit more then it will be easy to pull off a few raids by Villa and other bandits in Mexico, as has already been done, and inflame the people of the United States to such an extent that we shall be swept into war before we know it.

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"Now the people are most interested in this Mexican question are the missionary bodies. If the oil men are putting their side of the question before the American people, certainly the missionaries ought to put their side forward. I have not heard it better expressed than by a prominent Mexican preacher, who recently spoke to me with a trembling voice about what intervention would mean. His argument as about as follows:

"Intervention in Mexico by the United States would mean the destruction of all American mission work. For many years past the Mexican Protestant ministers have been accused of being bought by Yankee gold. We have, however, swallowed our pride and continued in the employ of American mission boards because we believed that these Viards were representative of the best Christian spirit and were trying to give to Mexico the pure Gospel of Christ, our country's greatest need. When the Mexican revolution began the Protestant churches threw themselves into it almost unanimously because they believed that the program of the revolution represented what these churches had been preaching through the years and that the triumph of the revolution meant the triumph of the Gospel.

"There were some entire congregations who, led by their pastors, volunteered for service in the revolutionary army, the men going to the front, the women backing them up at home.

"Many Protestant preachers are now prominent in the Mexican Government. The people of Mexico have seen that the Protestants were in favor of the revolution and were willing to fight for its program. All of the liberal element have therefore come to have a new respect and a deep interest in the cause of Evangelical Christianity. Never in the history of Mexico has there been such eagerness to hear the Gospel. I preach to a congregation of seven to eight hundred people every Sunday morning. In the afternoon our church is crowded with various different meetings of your people and other auxiliary societies. At night we have another great preaching service. All of our meetings are crowded to the doors. The same may be said about the other churches in Mexico City, Puebla, Guadalajara, Monterrey, and practically all the other cities of Mexico. Now, what will be the result if intervention comes from the United States?

"In the first place, frankly, the Mexican Protestant ministers would be the first ones to place themselves in battle array against the invaders. They will be found at the very front in the defense of their country. There would be two reasons for this. The first is patriotic. These ministers believe that patriotism is one of the first duties of the Christian. They do not believe that their country ought to be invaded by the foreigners. They will fight to the bitter end to defend it. Although conditions have been bad, yet everybody knows that they are improving all the time, and our Christian work is receiving more favor than it has ever received before. We are permitted to travel in all parts of the country to do our work. So, for patriotic reasons, we would be the first to oppose the invaders.

"Secondly, we should be found in the front ranks because of our amor propria. We have suffered for a long time this taunt of other Mexicans that we have been bought with Yankee gold. In order to prove that this was not true, that we are true Mexicans at heart and willing to give our lives for our country, we would take the first opportunity to show our patriotism. Intervention on the part of the American people would set back Christian work in Mexico a hundred years. It is impossible for the people of the United States to realize how deep seated would be the feeling against them. While Americans might say that they were doing this for the good of Mexico, Mexicans would never admit it. They believe that they should have a right to work out their own salvation with spiritual help from their Christian neighbors. Now that American mission boards have planned to give this spiritual help in a larger measure and the opportunities for preaching the Gospel are so great it would be an immeasurable crime for the American people to make war on Mexico."

This Mexican preacher has presented the real big question in discussing intervention in Mexico. Granted the truth of all the oil interests say about Carranza's determination to confiscate their property (though he assured that the greatest part of what the papers now publish is absolutely untrue), yet there is this other side, this tremendously important side for all those who are interested in the Kingdom of God. So I feel that now is the time for missionary leaders to speak. Now, and not a little later—for then it may be too late.

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At the conference yesterday it was pretty well established, by testimony of newspaper men themselves, that it is almost impossible to get anything into the daily press that is not against Carranza. One of the biggest syndicates in America told Mr. deBekker, an old newspaper man who has just spent five months in Mexico, that they could not sell to their clientele any kind of an article that "did not give Carranza hell." Facing such a condition it seemed that the best thing to be done by all the friends of Mexico is to bring pressure upon Congress not to intervene. That can be done by individuals and I do hope that each one of you who was present at the Mexican conference in February will write an earnest letter to your Congressman and to other acquaintances you may have in political circles, pointing out what intervention in Mexico would mean for our missionary work.

We have the religious press open to us. Certainly it can be of great service at this time, when the daily press is practically closed against arguments for nonintervention. Will you not see that something gets into one or more of your denominational publications at the very earliest time in favor of a policy of friendly relations with Mexico? If possible, have a talk with the editor of one of your denominational papers and get him committed to a nonintervention policy and agree to push it for the next month or two. Our office will furnish additional material to what you may have.

I earnestly appeal to you in the name of all Christians in Mexico, in the name of our missionary work, to which we have given so much attention and prayer, in the name of fairness to the Mexican people, and in the name of Christian friendship among neighbors to help at this crucial time.

Yours, faithfully,

S. G. INMAN.

Dr. INMAN. I had that among my documents here, Senator.

The CHAIRMAN. Well that is a copy of it, so we will save you the trouble of producing it. Now, I believe you said that you did not know Gen. Zuazua, who is in general command of the army of the north in Mexico?

Dr. INMAN. No, sir.

The CHAIRMAN. I mention these men because they are the men with whom the border people must come into contact every day, and I would like you, for your people, and your own benefit, to know who they are. I will later show who Mr. Dieguez is. At this time I will not refer to the fact because I have not proof here at hand. I may say that it has been charged that he is the man who led the attack upon and killed the two Metcalf boys in 1906.

Dr. INMAN. There is one matter that I wanted to tell you before you had finished. It really is the program that I had outlined. I have a map here which makes that very clear.

The CHAIRMAN. All right, Doctor. Later we will be very glad to have you put it in, but I want to call your attention now to this letter. You can, of course, understand the reasons for some of the statements that I was making, if you have refreshed your memory about this letter. You say in this letter, which is to the representatives of the mission boards present at the Mexico City conference of February, 1919—that is the one that you refer to, is it not?

Dr. INMAN. Yes, sir.

The CHAIRMAN. You say in this letter: "I hope this letter will act as a riot call."

What was your meaning in saying that, Doctor? What did you mean by saying that you hoped that this letter would act as a riot call?

Dr. INMAN. Simply that it would act as a call to those who received it to get busy and work against intervention in Mexico.

The CHAIRMAN. These people who are at the city of Mexico?

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Dr. INMAN. Yes, sir; those are the people to whom I referred to as having gone down there.

The CHAIRMAN. Was this letter read there publicly?

Dr. INMAN. Read where?

The CHAIRMAN. At this conference. Were you there?

Dr. INMAN. No; this letter was written——

The CHAIRMAN. Well, I asked if the letter was read there publicly at the conference?

Dr. INMAN. No; the conference was held in February.

The CHAIRMAN. And you addressed it to the members after they came away?

Dr. INMAN. Yes.

The CHAIRMAN. Do you know whether it has reached Mexico or not, this letter?

Dr. INMAN. Yes; it has—I think it has.

The CHAIRMAN. Well, do you know whether it has or not, Doctor?

Dr. INMAN. Yes.

The CHAIRMAN. Do you know whether it has reached Mr. Carranza?

Dr. INMAN. No; I do not know whether it has.

The CHAIRMAN. Has it reached anyone who would likely show it to him?

Dr. INMAN. Not that I know of.

The CHAIRMAN. You say you know it has reached Mexico?

Dr. INMAN. I know it has, because I have seen references to it in the Mexican papers.

The CHAIRMAN. There have been publications with reference to it in the Mexican papers?

Dr. INMAN. In Evangelical papers.

The CHAIRMAN. In Mexico?

Dr. INMAN. Yes.

The CHAIRMAN. Where is that published?

Dr. INMAN. Mexico City.

The CHAIRMAN. Was the letter published in full?

Dr. INMAN. I do not think it was, but extracts of it were published; extracts which were secured here from the press, from the United States press.

The CHAIRMAN. Do you mean to say that the letter itself has only reached Mexico through the American press?

Dr. INMAN. That is what I understand. That letter was addressed to people here in the United States.

The CHAIRMAN. I understand; but you did not send, or you know of no one having sent, a copy of it to Mexico?

Dr. INMAN. No; I do not recall anybody having sent it.

Senator BRANDEGEE. Where were you when you wrote is?

Dr. INMAN. In New York.

Senator BRANDEGEE. Did you send a copy of it to your Evangelical paper?

Dr. INMAN. Yes.

Senator BRANDEGEE. So that they did not simply have extracts from the American newspapers, but your own paper had a copy of the letter that you sent them?

Dr. INMAN. Well, as I remember—no; I do not think I sent a copy to them.

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Senator BRANDEGEE. Well, did they have a copy in some way or other?

Dr. INMAN. The part that they have published seems to be simply what they have gotten from the American press.

Senator BRANDEGEE. You do not know whether they had a copy of it or not?

Dr. INMAN. No; I do not.

Senator BRANDEGEE. Well, somebody in Mexico did, you say?

Dr. INMAN. The American press, I think, telegraphed references.

Senator BRANDEGEE. Was it published in full in this country in the press?

Dr. INMAN. No; not that I know of. It was in the religious press, but not in the daily press.

The CHAIRMAN. Does that religious press exchange with your paper in Mexico?

Dr. INMAN. I should think not, unless it might be some who read Spanish.

The CHAIRMAN. Did you, yourself, send any of the newspaper clippings from this country to any part of Mexico or to anyone there; newspaper clippings containing any portions of this letter?

Dr. INMAN. Yes.

The CHAIRMAN. You did send the clippings?

Dr. INMAN. Yes.

The CHAIRMAN. To whom did you send them, Doctor?

Dr. INMAN. I sent them to Mr. Saenz, the editor of the paper.

The CHAIRMAN. The editor of your paper down there?

Dr. INMAN. Yes.

The CHAIRMAN. Then, he republished them from those clippings?

Dr. INMAN. Yes, sir.

The CHAIRMAN. That is how he got them. You are aware of the provision in the constitution of Mexico which reads as follows:

No periodical publication, which either by reason of its program, title, or merely by its general tendencies is of a religious character, shall comment upon any political affairs of the nation, nor publish any information regarding the acts of the authorities of the country or of private individuals in so far as the latter have to do with public affairs.

You are aware of that provision of the Mexican constitution?

Dr. INMAN. Yes; but I do not think it has ever been carried out by any means.

The CHAIRMAN. Then, you did not care anything about it?

Dr. INMAN. I did not think anything about it, but did not send this for publication at all; I sent it just simply in a private letter.

The CHAIRMAN. You say that "It looks as though all our great missionary program in Mexico is to be destroyed. Intervention in Mexico is coming just as fast as certain interests in Mexico force it." That last sentence was your reason for the first sentence; that is you said that "It looks as though all our great missionary program in Mexico is to be destroyed." Did you make that statement because of the next sentence, that "Intervention is coming just as fast as certain interests can force it?" Is that your reason?

Dr. INMAN. Yes.

The CHAIRMAN. You say:

You have no doubt been following the hearings in Congress cencerning the Mexican question, and have seen how by the calling of only a certain class of witnesses all is made to play into the hands of the interventionists.

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Now, what did you mean by that, Doctor? Just explain what you meant by that.

Dr. INMAN. Well, I meant, for example, testimony like that of Mr. Gates.

The CHAIRMAN. Well, was he the only witness called?

Dr. INMAN. There was a Mr. Mitchell, of Mexico, who is notably against the Government.

The CHAIRMAN. Who else?

Dr. INMAN. Those are the two I had in mind particularly.

The CHAIRMAN. Well, Mr. Fletcher, our ambassador to Mexico, was also on the stand, was he not?

Dr. INMAN. Yes.

The CHAIRMAN. You did not have reference to his testimony, did you?

Dr. INMAN. No.

The CHAIRMAN. But you say, "As to the character of the testimony that is called by the committee," and you have mentioned only three, one of whom is our official ambassador. You state here that "by the calling of a certain class of witnesses all is made to play into the hands of the interventionists." Were those the only three witnesses whose testimony you knew anything about?

Dr. INMAN. The only ones that I recall at the present time. Do you recall any that testified in favor of the present Government?

The CHAIRMAN. Well, my recollection is that the ambassador of Mexico, Mr. Fletcher, was congratulated by the Mexican Congress upon his testimony. Is not that your recollection?

Dr. INMAN. I think so.

The CHAIRMAN. And I have further information leading me to believe that he was denounced by other Mexicans for his testimony. Did you hear of that?

Dr. INMAN. No, sir.

The CHAIRMAN. Well, then, simply because of Mr. Gates and Mr. Mitchell having been witnesses before the House Rules Committee you sound the riot call to the church people of the United States. You made up your mind then and there that the Congress of the United States was determined on intervention, did you?

Dr. INMAN. Why, Mr. Senator, I do not think that is fair at all.

The CHAIRMAN. I asked you what you meant by this communication.

Dr. INMAN. If that were the only thing, of course, it would have been a small matter.

The CHAIRMAN. I want you to go on, but I am asking you now particularly about your statements here. That is your statement—

> You have no doubt been following the hearings in Congress concerning the Mexican situation, and have seen how by the calling of only a certain class of witnesses all is made to play into the hands of the interventionists.

I will get to the balance of it in a few moments. Now, do you think that you were justified, from the testimony that was taken before the House committee, in the suggestion that they had gone in to play the game with the interventionists?

Dr. INMAN. Well, there were others that suggested that they might testify but they were not called.

The CHAIRMAN. Do you know that?

Dr. INMAN. Yes.

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The CHAIRMAN. You suggested that you might testify?

Dr. INMAN. No; I did not.

The CHAIRMAN. Do you know anyone who has even suggested that they might testify before this committee who has not been called?

Dr. INMAN. I know of some already that you have called. I recall, for example, that Mr. Lill, of New York, said that he had offered to testify but he was not called.

The CHAIRMAN (addressing the clerk of the committee). See that Mr. Lill is notified, and if he does not come, issue a subpœna for him.

Senator BRANDEGEE. Give his full name, please.

Dr. INMAN. I will look it up and give it to you.

The CHAIRMAN. Again, to go on further, Doctor, you say:

I have just returned from a meeting called by the League of Free Nations to discuss what should be done to stop what seems to be the inevitable—armed intervention in Mexico.

Where was that meeting of the League of Free Nations?

Dr. INMAN. In the Bush Terminal Building.

The CHAIRMAN. Who were present, Doctor?

Dr. INMAN. Mr. McDonald, the chairman; and Mr. Chamberlain, of New York; and a professor from Columbia University whose name I do not recall just at the minute. If you have a list there of the members of the committee, which I have not, I can tell you who were present.

Senator BRANDEGEE. How many people altogether were there?

Dr. INMAN. I should say about 12.

The CHAIRMAN. Were they members of the national council and executive committee?

Dr. INMAN. No, sir; they were members of a special committee appointed by this League of Free Nations Association to consider Mexican matters.

The CHAIRMAN. The League of Free Nations has a committee to consider Mexican matters?

Dr. INMAN. Yes, sir.

The CHAIRMAN. Who are the members of that committee? Mr. McDonald is chairman of the executive committee?

Dr. INMAN. Yes, sir.

The CHAIRMAN. Who else, please? I will read the names of the committee if you wish.

Dr. INMAN. The names might not appear there, because this is a special committee. It does not mean that they are all members of the Free Nations Association. Mr. Kellogg, for example, the editor of the Survey——

The CHAIRMAN. He is not a member?

Dr. INMAN. Yes; he is a member of both organizations. Dr. Winton——

The CHAIRMAN. He is present?

Dr. INMAN. Yes, sir.

The CHAIRMAN. He was present at that meeting?

Dr. INMAN. I do not recall whether he was present at that meeting or not.

The CHAIRMAN. He is here now. Were you present, Dr. Winton?

Dr. WINTON. I was present; yes, sir.

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The CHAIRMAN. Who else was present?

Dr. INMAN. Prof. Hays, of Columbia University. Dr. Slaughter——

The CHAIRMAN. He is a member of the special committee and also a member of the League of Free Nations?

Dr. INMAN. He is a member of the special committee. I do not know whether he is a member of the other or not. Mr. De Bekker——

The CHAIRMAN. Who is Mr. De Bekker?

Dr. INMAN. A newspaper correspondent.

The CHAIRMAN. He is the newspaper correspondent to whom you referred a little while ago, is he not?

Dr. INMAN. De Bekker.

The CHAIRMAN. He is not a member of the League of Free Nations, is he?

Dr. INMAN. No, sir.

The CHAIRMAN. What is his business?

Dr. INMAN. I understand that he went to Mexico for the New York Tribune to report on conditions in Mexico.

The CHAIRMAN. Is he still with the Tribune?

Dr. INMAN. No, sir; he quit the Tribune.

The CHAIRMAN. Do you know why?

Dr. INMAN. He told me it was because after he had reported against intervention the Tribune came out in favor of intervention, and therefore he quit.

The CHAIRMAN. They dispensed with his services, or he quit?

Dr. INMAN. He quit.

The CHAIRMAN. They did not dispense with his services, but he quit?

Dr. INMAN. Yes, sir.

The CHAIRMAN. Those that you have mentioned are the only members of the committee that you now recall who were present?

Dr. INMAN. The only ones that I remember just now. If I had a list of the committee I could check them up.

The CHAIRMAN. There it is [handing the witness a paper].

Dr. INMAN. I meant of the special Mexican committee.

The CHAIRMAN. That is what I am anxious to find out, who are the members of the special Mexican committee.

Dr. INMAN. I will be glad to give you the names of the committee.

The CHAIRMAN. I would like to have them. The others are here before us.

Dr. INMAN. Kellogg, McDonald, Kennedy, who is also a newspaper correspondent, or, rather, in the publicity business—I do not suppose you would call him a newspaper correspondent; Mr. Slaughter——

Dr. WINTON. He was not there.

The CHAIRMAN. He was not there, you say?

Dr. INMAN. He was not there at that meeting.

The CHAIRMAN. Was Mr. Trowbridge there?

Dr. INMAN. Not at this meeting; no. He was at a later meeting.

The CHAIRMAN. You have mentioned all those you can think of who were there?

Dr. INMAN. Yes, sir.

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The CHAIRMAN. You say there were present some newspaper men and others who have recently been in Mexico and have also been in Washington working against intervention. Those were Mr. Kennedy and Mr. De Bekker?

Dr. INMAN. Mr. De Bekker has been to Mexico, but Mr. Kennedy has not.

The CHAIRMAN. But you say, "recently been to Mexico and have also been in Washington working against intervention?"

Dr. INMAN. Mr. De Bekker is the one I had in mind particularly who had been in both places.

The CHAIRMAN. Mr. De Bekker is the author of one of the articles that are being sent out by the League of Free Nations under release and for publication. I hold in my hand advance proof from the Nation, release August 30, 1919, "Mexico's Future," by L. J. De Bekker. He is the De Bekker of whom you spoke.

Dr. INMAN. Yes, sir.

The CHAIRMAN. You know that the League of Free Nations has been sending out articles of this kind, do you not?

Dr. INMAN. Yes, sir.

The CHAIRMAN. What do you call that, Doctor? Is that a propaganda or not?

Dr. INMAN. I should think so.

The CHAIRMAN. And perfectly legitimate propaganda?

Dr. INMAN. I think so.

The CHAIRMAN. I agree with you.

I have another here from the League of Free Nations' Association, New York, "Release on receipt," entitled "Murder and Revenge," by L. J. De Bekker. He is the same De Bekker, I suppose, is he not?

Dr. INMAN. Yes, sir.

The CHAIRMAN. Doctor, was Mr. Fornaro present?

Dr. INMAN. No, sir.

The CHAIRMAN. You know him?

Dr. INMAN. No, sir.

The CHAIRMAN. He has not been working with you at all?

Dr. INMAN. Not that I know of.

The CHAIRMAN. You do not know him?

Dr. INMAN. I do not know him.

The CHAIRMAN. I have another here, "Free Service, the League of Free Nations Association, New York, by L. J. De Bekker." Mr. De Bekker has been doing a great deal of this propaganda work for the association with reference to Mexico?

Dr. INMAN. Yes, sir.

The CHAIRMAN. Is he assigned to this Mexican committee for which you speak for work?

Dr. INMAN. Yes.

The CHAIRMAN. And consults with them, does he?

Dr. INMAN. Yes, sir.

The CHAIRMAN. I have here advance proof from The World Tomorrow for September, League of Free Nations Association, New York. Do you see all this propaganda matter that goes out, Doctor?

Dr. INMAN. I have about all those things you refer to here in this envelope [indicating].

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The CHAIRMAN. Possibly you have this advance proof——

Dr. INMAN. To turn in to you, I mean.

The CHAIRMAN. You have this advance proof from The World Tomorrow, entitled "The Truth About Mexico"?

Dr. INMAN. I think that is in here; yes, sir.

The CHAIRMAN. It does not seem to be fathered by Mr. De Bekker. It starts off:

Not content with the prejudiced House inquiry into Mexican affairs, the Senate has appointed a subcommittee of the Foreign Affairs Committee, headed by that notorious enemy of Carranza, Senator Fall, of New Mexico."

Then you go on and refer to the fact that—

The President has put an embargo on the supply of arms to the Carranza Government, the effect of which will be to cripple it in dealing with the bandits, who, aided by their friends this side of the border, have been successfully smuggling arms into the country.

Did you oppose the placing of the embargo upon the shipment of arms into Mexico?

Dr. INMAN. I never opposed it; no, sir; I never took any action in the matter.

The CHAIRMAN. I mean are you opposed to it?

Dr. INMAN. Yes, sir.

The CHAIRMAN. I should judge so from this propaganda which is going out.

Dr. INMAN. It seems to me that we are just cutting off the power of Carranza to stop banditry. If he has no arms with which to pursue the bandits, it will be impossible, it does not make any difference how good his intentions are, for him to do anything, practically.

The CHAIRMAN. I notice it is stated further in this article which is sent out by your committee:

Newspaper propaganda continues to inflame sentiment. The press publishes everything hostile to the Mexican Government and refuses most of what is favorable to it.

What foundation have you for the statement that the press refuses what is favorable to the Mexican Government, Doctor?

Dr. INMAN. Bear in mind, Senator, that that is not my article.

The CHAIRMAN. It is sent out by your committee?

Dr. INMAN. I have understood from several authors that they have offered articles in favor of Carranza and they have been told that nothing that is favorable to Carranza is acceptable.

The CHAIRMAN. You say in this letter that the revelations that a newspaper man made concerning the amount of money being spent by the oil interests to manufacture propaganda in favor of intervention was "simply appalling."

Would you object to stating to the committee what those revelations were?

Mr. INMAN. Those revelations are made in print, Mr. Chairman, and I have those articles here. They are made in the Nation and in various other papers.

The CHAIRMAN. You can refresh your memory, of course, and then let us have the information without putting the entire article in the record.

Senator BRANDEGEE. Who fathers that statement? Who was the author of the article?

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Dr. INMAN. In the Nation, Mr. De Bekker is the author. Reference has just been made to that article that you just read, Mr. Chairman——

The CHAIRMAN. This is the World To-morrow.

Senator BRANDEGEE. I mean, who is the author of the statement that the amount of money being spent by the oil interests to create intervention in Mexico is simply appalling? Who knows about that and who states it?

Dr. INMAN. Mr. DeBekker has stated that.

Senator BRANDEGEE. Of his own knowledge, do you know?

Dr. INMAN. Supposedly so; because he has made these statements in public.

The CHAIRMAN. You mean that the statements made there at this meeting were in your hearing, I presume?

Dr. INMAN. Yes.

The CHAIRMAN (reading):

Revelations that a newspaper man made concerning the amount of money being spent by the oil interests to manufacture propaganda in favor of interventions are simply appalling.

You have testified that De Bekker was there, and I presume that he made that statement there?

Dr. INMAN. He made those statements.

The CHAIRMAN. Did he make the statement that you are going to read here now?

Dr. INMAN. No. I was simply going to read a letter, a private letter that I have written in answer to the only letter that I have received from certain oil interests concerning this matter. It clears up the whole thing as to my attitude, if you care to have that.

The CHAIRMAN. That is all right, Doctor, a little later, but I am asking you now about what revelations there were made at this meeting of the committee that you pronounce in this letter which you sent out to your mission as simply appalling.

Dr. INMAN. The fact that offices were maintained both in Washington and New York and several people employed—a large number of people, the way he states it—to circularize the whole country and to fill the press of the United States with a certain class of articles concerning Mexico.

The CHAIRMAN. Did he say anything about the amount which was being spent?

Dr. INMAN. No; but he said they had costly offices.

The CHAIRMAN. How did you come to the conclusion that these revelations of the money being spent by the oil interests to manufacture propaganda in favor of intervention were simply appalling? On what did you found that—on just the fact that he said they had offices here and were circularizing the country?

Dr. INMAN. He said large offices and mentioned several people who were employed there, the number of agents they had out over the country, and things of that kind.

The CHAIRMAN. How many offices did he mention they had?

Dr. INMAN. He mentioned particularly the ones in New York and Washington.

The CHAIRMAN. What office is that in New York?

Dr. INMAN. I do not know what office he referred to, but offices maintained by certain oil interests.

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The CHAIRMAN. What offices did he refer to in Washington?

Dr. INMAN. The same organization.

The CHAIRMAN. What organization was it?

Dr. INMAN. I suppose he was referring to the Association for the Protection of American Rights in Mexico.

The CHAIRMAN. In Mexico?

Dr. INMAN. In Mexico.

The CHAIRMAN. You know something about the membership of that organization?

Dr. INMAN. I have a pamphlet here which shows something of the membership; yes.

The CHAIRMAN. They have members all over the United States, have they not?

Dr. INMAN. Yes, sir.

The CHAIRMAN. As well as in New York and Washington?

Dr. INMAN. Yes, sir.

The CHAIRMAN. And they maintain offices in New York and Washington?

Dr. INMAN. I understand they maintain them in other places, too.

The CHAIRMAN. Where?

Dr. INMAN. In San Francisco and in El Paso.

The CHAIRMAN. In connection with or separate from the Mexican Petroleum Co. or the Doheny interests?

Dr. INMAN. I think they are separate.

The CHAIRMAN. Who supports them?

Dr. INMAN. From the bulletin that I have here they are supported by the Society for the Protection of American Rights in Mexico.

The CHAIRMAN. About how many of them are there there? Whose names are on this bulletin?

Dr. INMAN. This bulletin that I have here refers particularly to the two offices and the organizing agents that are now doing work in Texas and in other Western States, organizing the whole country, so the bulletin says.

The CHAIRMAN. That is the organization, and it is their work, the revelations concerning which, made by Mr. De Bekker at this meeting, you regarded as appalling?

Dr. INMAN. When I wrote that letter I did not know about the workings of this Association for the Protection of American Rights in Mexico. I did not know what, for instance—I had never seen one of their periodicals, and I did not know what interests were supporting it, or anything of the kind. I simply understood it was certain oil interests doing it, and that is the reason that in my letter I made no reference to any particular organizations or any particular companies, because I did not know they were?

Senator BRANDEGEE. What oil interests were doing it?

Dr. INMAN. As I say, I do not know which oil interests.

Senator BRANDEGEE. You said in this letter that you had evidence——

Dr. INMAN. Certain oil interests.

Senator BRANDEGEE (continuing). That you have evidence of certain oil interests. What were the certain oil interests—which ones?

Dr. INMAN. I do not know.

Senator BRANDEGEE. What is your evidence?

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Dr. INMAN. What I stated there is what I heard at the committee meeting.

The CHAIRMAN. You say you had evidence of this.

Dr. INMAN. Yes, sir.

Senator BRANDEGEE. What is that evidence?

Dr. INMAN. I had had evidence of it. Anybody can get that from reading the papers.

Senator BRANDEGEE. Is that what you mean—you had seen it in the newspapers?

Dr. INMAN. No; I do not mean that.

Senator BRANDEGEE. What did you mean when you said you had the evidence of it?

Dr. INMAN. I had evidence of it; yes, sir.

Senator BRANDEGEE. What sort of evidence?

Dr. INMAN. For example, the Federation of Churches of Chicago sent a letter saying that a committee in Washington called the "Republican Publicity Committee" had given out a statement, and that following that a large number of western papers had appeared for intervention, and that during four days eight different papers came out with editorials in practically the same language advocating intervention, and saying you must "spank the unruly baby," etc.

Senator BRANDEGEE. How does that prove that the oil interests are doing it?

Dr. INMAN. I do not say that it proves it.

Senator BRANDEGEE. That is the charge in the letter, that the oil interests are spending this money.

Dr. INMAN. I say that is the charge that had been made at that meeting.

Senator BRANDEGEE. Do you know upon what evidence the charge was made?

Dr. INMAN. The evidence is given in the articles that Mr. De Bekker has been writing.

Senator BRANDEGEE. That is all you know about it?

Dr. INMAN. I can not say that that is all I know about it.

Senator BRANDEGEE. Have you any evidence that the oil men are contributing money to get the United States to intervene by force of arms in Mexico?

Dr. INMAN. I understand that from what certain of the interests have told me recently they are not in favor of intervention. They say they are not in favor of intervention.

Senator BRANDEGEE. That is not the question, Doctor. I asked you if you had had any evidence that they contributed money to create a feeling for intervention?

Dr. INMAN. I have evidence of this, that after that letter was written I have seen their statements, and they appeared to me to be very misrepresentative of the situation in Mexico, and the fact that they are organizing all over this country, that they have out secretaries in sections and in other places organizing chambers of commerce and urging individual citizens to come in as members of this organization——

Senator BRANDEGEE. What organization?

Dr. INMAN. The Association for the Protection of American rights in Mexico.

Senator BRANDEGEE. Is that all composed of oil men?

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Dr. INMAN. No; but have I not made clear that what I said in that letter and what I am saying now are different things?

Senator BRANDEGEE. Yes; and that is what I am wondering at—why it is so.

Dr. INMAN. I mean to say that I have come in possession of one of those bulletins since then which tells me what the Association for the Protection of American Rights in Mexico is doing.

Senator BRANDEGEE. Do you believe that any oil interest is now contributing money to induce Congress to authorize forcible intervention in Mexico?

Dr. INMAN. No, sir; I do not. My only idea there is that the things that they gave out tend toward making the American people feel that they ought to intervene in Mexico. I never had any idea of declaring that the oil interests are trying to buy Congress or buy anybody else.

Senator BRANDEGEE. You did not intimate that; you said they were putting up money to force intervention.

The CHAIRMAN. Doctor, if the oil interests are putting up money or securing publication for their views in reference to Mexico, they are doing exactly what you and your committee are doing with reference to your views, are they not?

Dr. INMAN. Yes.

The CHAIRMAN. And you are perfectly sincere in sending out the literature that you are sending out, are you not?

Dr. INMAN. Yes, sir.

The CHAIRMAN. And you think that they must have some ulterior motives in sending out the literature which they are sending out?

Dr. INMAN. I do not believe in their literature——

The CHAIRMAN. They do not believe in yours, very likely.

Dr. INMAN. I do not suppose they do, but certainly——

The CHAIRMAN. Let us go a little further. You say, "While I have had evidence of this propaganda, at the same time I had no conception of its enormity until the facts were laid before me."

What do you mean by "enormity," Doctor? What does "enormity" mean?

Dr. INMAN. I have just explained a while ago about the enormous organization——

The CHAIRMAN. Oh. You mean it in the sense of enormous?

Dr. INMAN. Yes, sir.

The CHAIRMAN. Is that your idea of what "enormity" means?

Senator BRANDEGEE. The same as "appalling."

The CHAIRMAN. I thought it meant something different from that. Let us look up the meaning of "enormity" in the dictionary. That word struck me as very, very significant.

You say:

> The man who has gone into the matter most thoroughly says that the oil men have large offices in Washington and New York, with unlimited supplies of money to carry on this propaganda.

Did you get that information from De Bekker?

Dr. INMAN. Yes, sir.

The CHAIRMAN (reading):

> That they are playing not simply for the oil wells in Tampico and Vera Cruz, but for a much larger stake; that they have found out that Mexico is full of oil; that while they admit that Carranza so far has not confiscated

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their properties and has promised not to do so, what they want is the United States to get a hold of Mexico so that they can easily obtain these billions of dollars of oil property, which are certain to be developed in the future.

Did all that information come to you from Mr. De Bekker?

Dr. INMAN. Well, there was a discussion around the table. Dr. Slaughter had been there.

The CHAIRMAN. Did Dr. Slaughter come to this conclusion?

Dr. INMAN. I do not remember.

The CHAIRMAN. Doctor, just look at the word "enormity" here in this definition and let us see if you mean what it says.

Dr. INMAN. Mr. Chairman, it would not do any good to bring in dictionaries. I want to read this letter here, which will explain my whole attitude.

The CHAIRMAN. Very well; we will allow you to read that letter, but I am asking you about this letter now.

Dr. INMAN. I did not go down and write that letter. I dictated that letter right off, and it went off to individuals. If it had been a carefully prepared statement, going out to the press, I certainly should have been careful about what I was saying. That was a letter which was written to private individuals, with absolutely no thought in mind that it was to be published.

Senator BRANDEGEE. Do you not think that when you are stirring up actions by an organization on an international question you ought to be careful even in writing letters to private individuals, reading the riot act and sounding the bugle call of alarm?

Dr. INMAN. I think that one can certainly trust his friends and not be so particularly careful about just exactly the wording.

Senator BRANDEGEE. But this was designed, was it not—this talking about the appalling use of money, and the enormity of the propaganda going on by these oil interests—and intended to arouse them to an effort with reference to an international matter?

Dr. INMAN. Yes, sir.

Senator BRANDEGEE. Do you not think that in that sort of thing you ought to exercise some care before you blame people for misstatements?

Dr. INMAN. That is the way it was done.

Senator BRANDEGEE. I thank you for being frank about it.

Dr. INMAN. I simply dictated the letter, and sent it right off; that is all.

The CHAIRMAN. Did you not send it to the New York Times?

Dr. INMAN. No, sir.

The CHAIRMAN. It was not sent to the Times with your knowledge?

Dr. INMAN. No, sir.

The CHAIRMAN. It was not sent to any paper at all, with your knowledge, for publication?

Dr. INMAN. No, sir.

The CHAIRMAN. By yourself or anyone else?

Dr. INMAN. No, sir.

The CHAIRMAN. It did get into the paper, did it not?

Dr. INMAN. Yes, sir.

The CHAIRMAN. Do you know how?

Dr. INMAN. The secretary of the Presbyterian board gave it to the New Era movement of their organization, with the statement that we ought to do something to counteract intervention. This pub-

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licity man thought he saw a good story in it, so he just put it out. It evidently was a good story, because it caused tremendous excitement all the way round.

Senator BRANDEGEE. You could do that if you hollered "fire!" in a theater.

Dr. INMAN. I have said nothing in there that had not been said in public many times before. I do not see why that particular letter should cause any particular excitement.

Senator BRANDEGEE. These are supposed to be responsible organizations. You are the secretary for a large organization which is supposed to father the authority of this other society of the League of Free Nations. There is nothing back of it all but the statement of Mr. De Bekker. Nobody has taken the pains to investigate the truth of it, apparently. You say you know nothing about it, yourself.

Dr. INMAN. Those statements had been publicly made. They had never been challenged.

Senator BRANDEGEE. Now they are made privately on your authority as the secretary of this religious body.

The CHAIRMAN. Just to clear up the record a moment. I was struck with this word "enormity" as being distinguished from the ordinary conception of the word "enormous." I find in this dictionary, which is Webster's New International, that the meaning is given as being "the state or quality of exceeding a measure or rule, or of being immoderate, monstrous, or outrageous."

That which is enormous; especially, an extreme offense against order, right, or decency; an atrocious crime; flagitious villainy; an atrocity.

You did not mean enormity—you meant enormous?

Dr. INMAN. Yes, sir.

The CHAIRMAN. You should have used the word "enormous" instead of the word "enormity."

You say that Dr. Slaughter was present; he had been in Mexico, but you do not recall that he expressed himself as convinced that those people were trying to get hold of all the property in Mexico by persuading this Government to take over Mexico. Who was convinced of that? Who expressed this view at that meeting?

Dr. INMAN. I think Dr. Slaughter expressed the same idea.

The CHAIRMAN. Is that your idea?

Dr. INMAN. Is it my idea—personally?

The CHAIRMAN. Yes.

Dr. INMAN. Not except simply as I reported it there as what these gentlemen who had gone into the thing had said. I had no basis for an opinion.

The CHAIRMAN. This letter, then, was not in any degree setting out your opinions, but just what you gathered there at this meeting?

Dr. INMAN. I came from that meeting with all of those things that had been brought out, feeling that there was a big effort being made to misrepresent things in Mexico which would bring about intervention.

The CHAIRMAN. For the purpose of enabling them to get hold of all the oil properties in Mexico?

Dr. INMAN. Yes; that is one of the things.

The CHAIRMAN. Do you believe that now?

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Dr. INMAN. I am not sure about that. I do not think I have enough evidence to make up an opinion on it, in fact.

The CHAIRMAN. You did have enough to make a direct statement then, because you say "You see, then, what very large stakes they are playing for, and why they are willing to spend unlimited amounts of money and to stop at nothing in order to bring about their purposes."

That went out to your missions, and copies of it have been sent to Mexico, even, and it has gone all over the United States, has it not, and been considered in church meetings, missionary meetings, etc.—similar statements to this?

Dr. INMAN. Of course, it was published in the press.

The CHAIRMAN. Over your name, as authority. [Reading:]

When the country has been worked up just a little bit more, then it will be easy to pull off a few raids by Villa and other bandits in Mexico, as has already been done, and inflame the people of the United States to such an extent that we shall be swept into war before we know it.

Doctor, I want to ask you what you know about the pulling off of raids by Villa?

Dr. INMAN. That is so stated in Mr. De Bekker's articles in The Nation.

The CHAIRMAN. Doctor, you have been in Mexico since 1905. You had a mission there among those people, near the border. You have crossed backward and forward. You are now at the head of, or engaged in, a great religious or educational work in Mexico. Do you make this statement simply upon the information conveyed to you or statements made to you by Mr. De Bekker?

Dr. INMAN. For instance, I have a letter here from Prof. Osuna—or rather the information comes from Prof. Osuna—about munitions offered to him while he was governor of the State of Tamaulipas. It is common talk about how the expedition of Blanquet, who went right out from New York, was certainly financed by somebody there. There are certainly people in this country who are helping to sustain this movement against Carranza in Mexico.

The CHAIRMAN. Where did Blanquet land? He did not go to the border, did he?

Dr. INMAN. No, sir.

The CHAIRMAN. Did he have passports from the State Department?

Dr. INMAN. I do not know.

The CHAIRMAN. You do not know whether he had passports or not?

Dr. INMAN. I do not know whether he did or not.

The CHAIRMAN. You do not know where he went from?

Dr. INMAN. I understand he went from New York. It was all played up in the papers.

The CHAIRMAN. You do not know whether he went from Cuba or not?

Dr. INMAN. He might have gone from Cuba after he left New York.

The CHAIRMAN. All right, Doctor; does that throw light upon this statement I was asking you about with regard to the Villa raids and similar raids, whether it came from New York or Cuba or wherever

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it did come from? Does that throw any light upon this statement here?

Dr. INMAN. I do not know as it does.

The CHAIRMAN. You say that Osuna told you while he was governor that he had ammunition offered him by Americans on this side?

Dr. INMAN. It was offered by people in Tamaulipas.

The CHAIRMAN. Oh, it was offered by people in Tamaulipas. That is in Mexico?

Dr. INMAN. Yes. He had the ammunition on the other side and was willing to sell it.

The CHAIRMAN. Where was it on the other side?

Dr. INMAN. In Texas.

The CHAIRMAN. In Texas?

Dr. INMAN. Yes, sir.

The CHAIRMAN. Were they Americans or Mexicans?

Dr. INMAN. I don't remember whether they were Americans or Mexicans.

The CHAIRMAN. Somebody in Tamaulipas, either Mexican or American, offered Mr. Osuna, so he told you, while he was governor, certain ammunition which they claimed to have in the State of Texas? Is that the statement of the case?

Dr. INMAN. I would like, if I could find the statement which was sent to me by the secretary of the mission boards, to read that to you, but I don't think I could put my hands on it right now. I will find it for you, however.

The CHAIRMAN. You have all the time you want, Doctor.

Dr. INMAN. It seems to point out this fact, which is being pointed out in so many different ways: That there is help on this side of the border for those who are opposed to Carranza on the other side.

The CHAIRMAN. That, yet, Doctor, does not touch the question. You state here, "When the country has been worked up just a little bit more it will be easy to pull off a few raids by Villa or other bandits in Mexico, as has already been done, and inflame the people of the United States to such an extent that we shall be swept into war before we know it." That is the statement I am asking you about. What do you know about any raid by Villa or anyone else which might inflame or has inflamed the minds of the people of the United States?

Dr. INMAN. I know that a good many people have claimed that the Villa raid was financed by people in the United States.

The CHAIRMAN. Well, who was it, Doctor? Just give us the name of some man who made that claim. Was it Mr. de Bekker?

Dr. INMAN. Well, you certainly have seen it in the press.

The CHAIRMAN. Well, now, here is the statement you have made, and you are a minister and you are going to your churches with this propaganda and making these statements, and I think you certainly should have some foundation for the statements.

Dr. INMAN. Well, I can't recall just at the present time how all these things have come into my mind. I can't give you absolute authority for all those things.

The CHAIRMAN. I will ask you for your personal belief. In your opinion, do you believe that any American financed the Villa raid

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on Columbus, N. Mex.? I suppose that is the Villa raid you were referring to?

Dr. INMAN. I think Villa had been helped by Americans; yes, sir.

The CHAIRMAN. Do you believe that any Americans financed or sought to finance or sought to secure the raid by Villa across to this side?

Dr. INMAN. Maybe not that particular raid.

The CHAIRMAN. Well, any other raid.

Dr. INMAN. I think he has been helped by Americans on this side of the border.

The CHAIRMAN. What reason have you to believe that?

Dr. INMAN. Well, what reason, I can't see how Villa can continue and how he can always come back again, unless he is getting his ammunition from some place or other and is being financed.

The CHAIRMAN. Then that is just your judgment because Villa does continue in operation against Carranza, and you can not conceive how he can do it otherwise, unless he is being helped by people in the United States, and that leads you to send out statements of this kind? Is that it?

Dr. INMAN. And because also there are so many misstatements made by some of the financial interests in this country about conditions in Mexico that I think they certainly must be wishing to bring about those conditions.

The CHAIRMAN. Well, now, what misstatements made by what interests? Just give us one misstatement that has been made with reference to the conditions in Mexico.

Dr. INMAN. Well, let me read you one or two of those statements.

The CHAIRMAN (handing witness a paper). Is that what you have reference to?

Dr. INMAN. No. Here is a statement from one of the San Francisco papers:

TIME TO ACT IN MEXICO, ASSERTS UNITED STATES ARMY MAN—CARRANZA MERE FIGUREHEAD AND MURDER AND PILLAGE GO ON UNHINDERED—THREE HUNDRED AMERICANS KILLED—MAJ. MACDONNELL HERE TO AROUSE SUPPORT OF ANY STEPS GOVERNMENT MAY TAKE.

Seeking the support of local leaders, Maj. John G. MacDonnell, United States Army, one of Lieut. Gen. Hunter Liggett's staff in France, arrived in San Francisco yesterday to promote plans to solve the Mexican problem. Maj. MacDonnell is field secretary for the National Association for the Protection of American Rights in Mexico. Membership in the association is held by more than 600 banks, industrial and commercial institutions in the United States. San Francisco will be asked to fall in line, Maj. MacDonnell says, in upholding Congress and the administration in whatever policy is mandatory for the correction of present intolerable conditions.

"The placid indifference with which killing of more than 300 American citizens in Mexico within the last few years is regarded," says Maj. MacDonnell, "to say nothing of the attempted confiscation of American property worth more than a billion dollars, would appear to indicate the need for somebody to assume the leadership in arousing the torpid public conscience.

HERE TO AROUSE PUBLIC.

"Some have felt and said that the Government has been remiss in protecting its citizens, but a democratic government can not go beyond the wishes of the people who create it. When the people demand it full justice will be done in the present intolerable situation in Mexico.

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"Our association, for which I am seeking the support of San Francisco, was formed to arouse, organize, and lead public sentiment which would support Congress and the administration in taking, without further delay, whatever steps may be necessary to secure protection for the lives and property of American citizens wherever they may be and to compel that respect for the American flag which has been so conspicuously lacking in Mexico for the greater part of 80 years.

"AMERICANS IN CHINA PROTECTED.

"We did not hesitate to take energetic steps for the protection of American citizens in China in the Boxer rebellion of 1900. We recognized the right and duty of a government to protect its citizens temporarily residing in foreign lands, when Italy demanded and received, without demur on our part, reparation for the lynching of some of its citizens in New Orleans. Indeed, the duty of a government to protect its citizens wherever they may be seems to be fully understood everywhere but in America to-day. That is the purpose for which governments are created.

"The Mexican situation concerns not alone those who have invested large sums in Mexico, nor the survivors of thousands of colonists who have lost everything they possessed and whose families have been murdered. It is a matter which vitally interests every man, woman, and child in America.

"HAVEN FOR I. W. W.

"Mexico is the haven or refuge to which the I. W. W. were sent to be tortured by German propagandists. The product of this joint labor of anarchy and kultur was Bolshevism, which was first put into effect in Mexico in all its details, even to public ownership of women and corruption of children. The truth is that there is no organized government in Mexico. Carranza is merely the nominal head of a movement and does not even control his own so-called government. The control rests in the hands of military chieftains who acknowledge no allegiance to Carranza, except that which is gained through being provided with money. Only one-half of 1 per cent of the people of Mexico are responsible for the crimes that are committed there.

"COUNTRY IN CHAOS.

"Chaos is the only word which describes the situation when we attempt to view it as a whole. Under such conditions is it not imperative that America should be aroused to the menace of the southern border? Those who originated the National Association for the Protection of American Rights in Mexico thought so. And no violent protests against its aims and activities have emanated from Washington.

"Among the institutions of America sponsoring the association are the National City Bank, Bankers' Trust Co., Chase National Bank, Guaranty Trust Co., and J. P. Morgan & Co., New York; the Associated Supply Co., San Francisco; A. M. Lockett & Co., New Orleans; Beaumont Iron Works, Texas; Security Trust & Savings Bank, First National Bank, Merchants' National Bank, Farmers and Mechanics' National Bank, Los Angeles; and other prominent institutions throughout the United States."

Senator BRANDEGEE. Is that any worse than what Gen. Alvarado said, which you said he thought he could substantiate?

Dr. INMAN. Yes; I think so.

Senator BRANDEGEE. In what respect?

Dr. INMAN. This nationalization of women, for example, and the fact that Bolshevism originated in Mexico, and German propaganda is circulated there.

Senator BRANDEGEE. Did not Alvarado say the whole system was corrupt and rotten in the article that Senator Fall read a while ago?

Dr. INMAN. He certainly does not make any statement of that kind.

Senator BRANDEGEE. He did not use the expression, "the public nationalization of women"?

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Dr. INMAN. No, sir.

Senator BRANDEGEE. But you admitted here, as I understood you, that you thought Alvarado could substantiate the statements that he made.

Dr. INMAN. Well, in individual cases, but not generally.

Senator BRANDEGEE. Do you think what he meant was that now and then there were some corrupt men in Mexico?

Dr. INMAN. Yes, sir; that is what he says.

Senator BRANDEGEE. I opened your book a few minutes ago and read one statement there that the great task in Mexico was to develop some character.

Dr. INMAN. Yes, sir; that is what I believe.

Senator BRANDEGEE. That means that at present, in your opinion, they are without character, does it not?

Dr. INMAN. Not entirely without character.

Senator BRANDEGEE. I would assume that, as a rule, if they did not develop it.

The CHAIRMAN. Now, Doctor, what has that to do with that statement you made? Shall I read your statement again to you?

Dr. INMAN. What part of it do you refer to?

The CHAIRMAN. "When the country has been worked up just a little bit more it would be very easy to pull off a few raids by Villa or other bandits in Mexico, as has already been done, and inflame the people of the United States to such an extent that we shall be swept into war before we know it." Now, you have read that article, which I presume you say is intended to inflame the minds of the people of the United States. What has that to do with the pulling off of a raid by Villa or others across the border? Do you construe that to mean that Maj. McDonald was securing assistance from the Association for the Protection of American Rights, with the idea that he was going to give financial assistance or any other assistance to Villa or any Mexicans to raid American homes?

Dr. INMAN. No, sir; I don't think so, but I think that would certainly make that very easy for that to be done.

The CHAIRMAN. Well, but what do you mean by that statement? I must say that in my judgment, if I may be allowed to give my individual judgment, formed after a good many years' rather intimate association with Mexico, and living on the border and representing a border State, and having been in Mexico and on the border for 35 years, that any statement or reference to any American entering into any scheme to have the border raided, or Americans killed, or American women outraged, or American property destroyed on this border or in Mexico, for the purpose of bringing about intervention, is one that should be proven by anyone who repeats it or even suggests a repetition. It is an outrageous thing, it strikes me. Does it not you?

Dr. INMAN. Well, there have certainly been renegade Americans down there who have done a lot of things.

The CHAIRMAN. Were there any renegade Americans in the Villa raid?

Dr. INMAN. I don't know.

The CHAIRMAN. Did you ever hear that there were?

Dr. INMAN. No, sir.

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The CHAIRMAN. Did you ever hear there were any renegade Americans coming across from Mexico, with the Mexicans on the other side?

Dr. INMAN. I don't recall any particular instance; no, sir.

The CHAIRMAN. I will put into the record at a later date some of the actions of renegade Americans on this side cooperating with Mexico.

Senator BRANDEGEE. When you state that after the country has been sufficiently aroused by this propaganda by the interests, that "it will be easy to pull off some Villa raids and inflame the country," do you mean to intimate that American business interests are going to buy Villa to raid this country, so as to force this country to intervene? Is that your idea?

Dr. INMAN. I think some renegade Americans are working on the proposition all the time.

Senator BRANDEGEE. By "renegade Americans" do you mean the oil interests and these interests that have been referrel to?

Dr. INMAN. Certainly not.

Senator BRANDEGEE. Renegade Americans do not have a large amount of money, generally, do they, to buy Mexican armies to invade their country?

Dr. INMAN. Sometimes they do.

Senator BRANDEGEE. You don't mean any American business interests would attempt to do that?

Dr. INMAN. No.

Senator BRANDEGEE. That is all I wanted to know.

The CHAIRMAN. What object would there be in any Americans pulling off a raid, as you say?

Dr. INMAN. Well, because—what are these renegade Americans doing over there?

The CHAIRMAN. You are connecting oil interests here who are acquiring oil properties in Mexico, and stating that they are desirous of acquiring Mexico. In that connection you are holding out to your people here that certain people are seeking to inflame public opinion to such a point that a raid can then be pulled off which will so inflame public opinion that war will be brought about and Mexico acquired for the oil interests or other interests? Is that what your letter says?

Dr. INMAN. Well, maybe I have not made that point clear.

The CHAIRMAN. Well, my idea is this, that if it is simply a renegade American acting independently, attempting to secure a lot of Mexican cutthroats, to raid the border, if he is acting on his own initiative, what has that to do with the oil interests or the American interests of any kind? Do you believe that the American Smelting & Refining Co. would be guilty of anything of that kind?

Dr. INMAN. I don't think so.

The CHAIRMAN. Do you believe that the Phelps-Dodge Co., owning the Nocozari mines, would try to do anything of that kind?

Dr. INMAN. I don't think so.

The CHAIRMAN. Do you believe the Cole-Ryan Syndicate, owning the Cananea mine, would be guilty of anything of that sort?

Dr. INMAN. I don't know them.

The CHAIRMAN. Well, Mr. John D. Ryan is at the head of it, who was at the head of the Aircraft Division during the war. Thomas F.

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Cole has been identified with the Steel Co. for many years, until he retired a few years ago. They are what is known as the Cole-Ryan Syndicate and control the Cananea copper mine, and it is from that mine that a very large part of the copper you testified about coming into this country comes. Do you believe those people would attempt to bring about a war by hiring renegade Americans or certain Mexicans to raid the Americans on this side of the border?

Dr. INMAN. I don't think so.

The CHAIRMAN. Now, Doctor, do you believe that any man, whether he is a Christian or not—any American—would be guilty of anything of that kind?

Dr. INMAN. Yes; I think there are some men who would be.

The CHAIRMAN. Well, sir, I am sorry. I am rather glad that I have a better opinion of Americans than you have. I have not had any such associates that would lead me to such belief.

Dr. INMAN. Americans are just like other people. They are just human beings, and I guess we have got our share of bad ones as well as other nations.

The CHAIRMAN. Undoubtedly. Then, if you did not mean what you say, do you not think you should have explained this letter you sent out to your missionaries telling them that you did not mean to mislead them into the belief that the Association for the Protection of American Rights in Mexico were trying to bring about intervention by inflaming public opinion to such an extent that Congress and the administration would be compelled to intervene by armed forces and make war? Do you not think, if you had no real reason to make such a statement, that you should correct the statement you sent out?

Dr. INMAN. Mr. Chairman, I didn't make any statements about any organizations or anything of the kind, and I did not intend to.

The CHAIRMAN. Counsel has just called my attention to page 119 of your book, which I have not read. It states there:

> But the real reason for our making war on Mexico, if we do, would be in order to protect American investors. Of course, the great majority of our people would not knowingly consent to making war for that reason, but it would not take a great deal more misrepresentation by the American press about the chaos that exists in Mexico and another sensational border raid or two, which could easily be arranged, to make the majority honestly vote such a war for the good of Mexico.

You wrote that?

Dr. INMAN. Yes, sir.

The CHAIRMAN. You still adhere to it?

Dr. INMAN. Yes, sir.

The CHAIRMAN. And you think the natural conclusion from the reading of that and from the reading of that letter that the people to whom you sent it would draw that Americans for that unholy purpose would arrange to bring about raids across the border?

Dr. INMAN. I am ready to stand by what I said in the book.

The CHAIRMAN. And what you said in the letter?

Dr. INMAN. That letter was hastily written; was written without any thought of its publication or anything of the kind.

The CHAIRMAN. What distinction do you make between the letter and this statement: "Border raid or two could easily be arranged and make the majority honestly vote such a war for the good of Mexico"? What do you mean by "could easily be arranged"?

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Dr. INMAN. I mean it would be a thing that could be arranged.

The CHAIRMAN. What knowledge have you about arranging raids between Mexico and this country?

Dr. INMAN. I haven't any knowledge except what has been published very widely.

The CHAIRMAN. Where?

Dr. INMAN. In the papers.

The CHAIRMAN. Well, I am asking you about that now. What papers do you mean?

Dr. INMAN. In various different papers and even in books which claim that these raids have been financed in that way.

The CHAIRMAN. Do you think any conscientious American has published such a statement in a book without sufficient fact to sustain it?

Dr. INMAN. I don't remember just now how they were brought out, but I can look up that fact.

The CHAIRMAN. I wish you would.

Dr. INMAN. I will look them up for you.

The CHAIRMAN. I will promise you that if the process of this committee or of the Senate of the United States can reach any such American, it will reach him, and he will be asked to explain any such statement. I will be very much obliged if you will give me the names. Have you made any statement in your book, or elsewhere, Doctor, with reference to American oil interests or any other interests having financed banditry in Mexico?

Dr. INMAN. Yes, I made reference to that in an article in the Survey.

The CHAIRMAN. What was the statement?

Dr. INMAN. It was a statement that the oil interests had supported Pelaez. I think they have acknowledged that they supported Pelaez.

The CHAIRMAN. In what connection did you make that statement? What was the purpose in making that statement?

Dr. INMAN. Well, the editor of the Survey asked me about that situation.

The CHAIRMAN. I understand, but what was your object in making the statement, aside from simply stating what you understood to be the fact? You must have had some object in it. What connection did it have? What conclusion did you draw from it and what argument did you make on it?

Dr. INMAN. My conclusion is that those interests that supported him were not favorable to Carranza.

The CHAIRMAN. That the American oil interests in supporting Pelaez were necessarily against Carranza and were spreading that propaganda to bring about intervention against the present Carranza Government?

Dr. INMAN. I had thought so.

The CHAIRMAN. I asked you if that was your purpose. What are the purposes you had?

Dr. INMAN. The purpose I had was to show that the American financial interests have kept Carranza from regaining control of the country, because they were supporting Pelaez, and naturally Carranza has not ben able to oust him as he probably would have otherwise.

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The CHAIRMAN. Do you know of any person or have you any information—I don't mean of your personal knowledge—but have you any information with reference to payments which have been made by the oil companies in Mexico for that purpose?

Dr. INMAN. Except the statement that is made in The Nation by the Association for the Protection of American Rights.

The CHAIRMAN. That was in answer to some of the charges that had been made?

Dr. INMAN. Yes, sir.

The CHAIRMAN. They undertook to give the correct figure, did they not?

Dr. INMAN. Yes, sir.

The CHAIRMAN. That was in answer to some of the wild statements that had been made about the enormous figures, and the Association for the Protection of American Rights undertook to reply and give the exact figures, and they admitted they were paying money to Pelaez?

Dr. INMAN. Yes, sir.

The CHAIRMAN. Do you know who among the Mexicans first obtained money from the oil interests in Mexico for protection?

Dr. INMAN. No, sir.

The CHAIRMAN. You have never investigated that?

Dr. INMAN. No, sir.

The CHAIRMAN. You don't know who established the precedent?

Dr. INMAN. No, sir.

The CHAIRMAN. Of compelling protection at the hands of the Mexicans?

Dr. INMAN. No, sir.

The CHAIRMAN. Have you heard that the Government of the United States has very recently authorized the payment of $15,000 to bandits on the border for the rescue or turning over of American aviators?

Dr. INMAN. Yes, sir; I think I heard of that.

The CHAIRMAN. You heard of that?

Dr. INMAN. Yes, sir.

The CHAIRMAN. You didn't think there was any harm in that? You thought that was all right for the American Government to pay the bandits for the ransom of American Army men the sum of $15,000?

Dr. INMAN. Well, I suppose that was all right. I was a little doubtful about that.

The CHAIRMAN. If that money had been paid to Carranza, that would have been all right, too? If that money for protection that was paid by the oil interests had been paid to Carranza, that would have been all right, would it not?

Dr. INMAN. If it had been paid in a legitimate way for taxation, and so forth.

The CHAIRMAN. Has Carranza control of the district where Pelaez is?

Dr. INMAN. No, sir; I don't think he has.

The CHAIRMAN. Doctor, what would become of an oil well if a match was struck to it? Do you know?

Dr. INMAN. I have a rough picture in my mind.

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The CHAIRMAN. Have you ever seen any of those oil wells down there?

Dr. INMAN. Yes, sir; but not since they were developed in a large way.

The CHAIRMAN. You have not been in any of those other large districts?

Dr. INMAN. No, sir.

The CHAIRMAN. You have an idea of what would happen?

Dr. INMAN. Yes, sir.

The CHAIRMAN. It would be disastrous, at any rate, to that one well?

Dr. INMAN. I expect so.

The CHAIRMAN. Do you have an idea of what would follow the closing up or attempting to shut down one of those large flowing wells?

Dr. INMAN. I have an idea, of course.

The CHAIRMAN. What do you think would be the result?

Dr. INMAN. Of closing up the well?

The CHAIRMAN. Yes.

Dr. INMAN. I suppose it would have the result of pressure on the other wells.

The CHAIRMAN. That is all?

Dr. INMAN. That would probably bring about combustion itself.

The CHAIRMAN. Then if you had two wells, and some Mexican bandit had possession of one and threatened to close it down unless you paid him some money, you would tell him to go ahead, it would just increase the flow of the other?

Dr. INMAN. The other might burst up in the meantime, I should think.

The CHAIRMAN. You have no knowledge of the payment to these people further than what you have testified to, what you saw in the Nation, in answer to some statements that had been published, a statement from this Association for the Protection of American Rights as to the exact amount which they were paying?

Dr. INMAN. No, sir.

The CHAIRMAN. Have you any reason to believe they did not state the truth in that statement? Now, Doctor, do you know of any Americans having been compelled to pay ransom to any of the Carrancistas or Villistas or any of the other "istas" down there in Mexico?

Dr. INMAN. I see that every once in a while in the paper, and I suppose it is true.

The CHAIRMAN. You think it is legitimate, do you?

Dr. INMAN. Well, I imagine if it was one of my own people I would think so.

The CHAIRMAN. You would try to rustle the money?

Dr. INMAN. I certainly would.

The CHAIRMAN. And pay it over?

Dr. INMAN. Yes, sir.

The CHAIRMAN. If you had an oil well in Mexico, you would pay rather than have it destroyed, would you not?

Dr. INMAN. Well, I suppose I would.

The CHAIRMAN. Then, would you believe you were guilty of fomenting or creating disturbance against an orderly government in

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Mexico, or having been guilty of a desire to overturn that Government, because you paid for the protection of certain property?

Dr. INMAN. Well, Mr. Chairman, if that was continued, if I continued my relations with the bandit organization, I should be working against the interest of the Mexican Government. As I said in my book, the oil men probably have their side of it, but certainly from the standpoint of the Mexican Government they have not cooperated with them.

Senator BRANDEGEE. If the Mexican Government did not protect these oil men and their properties, how could they run them and supply us with oil unless they pay the men who are in control of the territory where the oil wells are situated, if those men demand it?

Dr. INMAN. My opinion has been that if they did not support Pelaez and encourage him that Carranza would be able to take charge of that district. I think it is the mistaken judgment of those men that Carranza can not take charge of the district.

Senator BRANDEGEE. He evidently was not in charge of it when they began to pay. If he had been, they would not have had to pay the bandits.

Dr. INMAN. Evidently not.

Senator BRANDEGEE. Where would be the stopping point, in your opinion? If they stopped paying that, what would happen to the oil wells?

Dr. INMAN. I think that Carranza at the present time could send a force in there, and if the oil companies would make arrangements with him to do that and say to him frankly, we depend absolutely on you to do this, and enter into an agreement with him as to the number of men he would send there, I believe he could do it.

Senator BRANDEGEE. You don't think these oil men are paying these bandits for the purpose of opposing Carranza or the Carranza Government?

Dr. INMAN. No; I don't think so. The oil men are paying for their protection—for the protection of their property, of course—but at the same time it works out as opposition to Carranza.

The CHAIRMAN. But you say you believe that Carranza could go in there and take possession?

Dr. INMAN. I think he could.

The CHAIRMAN. Why does he not do it?

Dr. INMAN. I mean to say, if Pelaez was not supported, if he didn't have ammunition, if his supplies were cut off, if he didn't have any money.

The CHAIRMAN. Do you mean the American oil companies are furnishing him ammunition?

Dr. INMAN. No, sir; but I suppose he gets it with money he receives from them.

The CHAIRMAN. Where does he get it?

Dr. INMAN. I expect he gets it from the United States, and it is smuggled across.

The CHAIRMAN. You say this Government having closed off ammunition to Carranza just hurts him. Can't Carranza buy his ammunition in the United States just as well as Pelaez can?

Dr. INMAN. Yes, sir; but Carranza is a legitimate government. He does not care to go into the smuggling process across the border.

The CHAIRMAN. He does not?

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Dr. INMAN. I guess he gets a little that way.

The CHAIRMAN. I will take you down and introduce you to some of the merchants.

Dr. INMAN. No doubt he gets some. I mean he can't get enough that way.

The CHAIRMAN. Can Pelaez get enough that way?

Dr. INMAN. Yes, sir; Pelaez only has charge of a very small district.

The CHAIRMAN. Then as long as Pelaez has any ammunition at all Carranza can't control the district Pelaez is in charge of?

Dr. INMAN. Not unless Carranza can get more ammunition.

Senator BRANDEGEE. How many troops does Pelaez have?

Dr. INMAN. I don't know.

Senator BRANDEGEE. Not as many as Carranza?

Dr. INMAN. Well, hardly.

Senator BRANDEGEE. Carranza has more than Pelaez?

Dr. INMAN. Yes, sir; but Carranza has a great deal larger territory. He has a tremendous territory.

The CHAIRMAN. Doctor, have you had your attention called to this article in the Chicago Journal, dated August 25, with reference to Mexican matters?

Dr. INMAN. No, sir; I have not seen that. However, I had a letter from President Willett on that subject. He said the Chicago Federation had passed the resolution.

The CHAIRMAN. Yes; this is the resolution.

Dr. INMAN. It is not exactly like the committee had first presented it, but it amounted to the same thing.

The CHAIRMAN. I am going to put the resolution in the record, but I want to call your attention to the clipping, because the resolution apparently did not follow the first program outlined, which was along the line of propaganda, as I understand.

I will file this resolution, sent to me by Dr. McDonald, chairman of the committee, with the request that I put it in the record. It will be placed in the record at this time.

(The resolution referred to is here copied in the record in full, as follows:)

CHICAGO CHURCH FEDERATION,
August 25, 1919.

Whereas recent events have indicated a tendency on the part of the United States Government to heed certain questionable propaganda which has been carried on, through the press and otherwise, urging that it assume a more drastic attitude toward Mexico, which has led to certain rather preemptory representations being made to the Government of Mexico and to greater military activity on the border, all of which seems to point in the direction of armed intervention: Therefore be it

Resolved—

First. That we disapprove and deplore the propaganda, believing that it can only result in harm to both countries, menacing, as it does, the friendly relations that should exist between them, threatening continuance of a legitimate commerce, involving in serious danger all the missionary and educational interests which have cost so much of treasure and life, and which have recently been reestablished in a manner that gives rich promise of practical achievement, and involving also our relations with the whole of Latin America.

Second. That we are convinced by reports that have come to us from men of prominence and character who have traveled extensively in Mexico in recent months, that great progress has been made in the pacification of the country and in the establishment of stable government. We are not unaware that banditry exists in certain parts of the country, but we are convinced that it is

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gradually being suppressed. It is unreasonable to charge the Government with weakness because it fails to afford protection to everyone in every place, and especially so when it is remembered that the country is just emerging from a long period of revolution; that many of its inhabitants are without education or training as citizens, and that it is a country of vast mountain fastnesses, where the population is sparce and adequate policing is almost impossible.

Third. That we commend the policy of patience and friendship pursued by our Government during the period of the Mexican Revolution, and urge its continuance. While we are aware that American investors and others have suffered much because of the unsettled condition in Mexico, and that in the old days these experiences might have been considered cause for war, they can not be so considered now since our boys have fought and died to end war.

Fourth. That we approve measures for adequately policing the border and punishing bandits, and all proper efforts to protect the property and life of American citizens, but urge that Americans residing in Mexico give due heed to the admonition of the Mexican Government, voiced in a recent communication to the United States Government, that they live as far as possible in populous centers and accept military escorts when they are compelled to go upon errands into sparsely settled places. This admonition is manifestly both right and reasonable and should be heeded both in the interest of personal safety and to avoid international complications.

Fifth. That we call upon churches and ministers and editors of religious papers, upon boards of trade and associations of commerce, upon labor organizations and welfare institutions, upon political party leaders, upon the press generally, and upon all right-minded citizens to do all in their power to frustrate and bring to naught efforts of propagandists to provoke hasty and unjustifiable armed intervention in Mexico and at the same time to spread information that will enable the public to assume an attitude of friendliness and patience toward Mexico, confidently believing that this is the best way to secure the ends of justice and peace we all desire.

JOHN THOMPSON,
PHILIP YARROW,
PERRY J. RICE,
Subcommittee of the Commission on International Friendship of the Chicago Church Federation.

I have this newspaper clipping from the Chicago Journal of August 25, which I wish to have placed in the record following the resolution.

(The newspaper clipping referred to is copied in the record in full, as follows:)

MINISTER BLAMES BIG BUSINESS FOR KEEPING MEXICO OUT OF LEAGUE.

Blame for the elimination of Mexico from representation in the league of nations was placed upon investors of the United States and foreign countries by Rev. Dr. H. L. Willett to-day in an address opening the meeting of the Chicago Church Federation at Central Y. M. C. A.

Mr. Willett said that "big business" was conducting a well-organized propaganda to force intervention by the United States in the southern republic, and that if we intervened the effects of 50 years of religious work in Mexico would be eradicated.

MUST BREAK FRIENDSHIP.

"If we intervene in Mexico, we can not continue as friends of the country," he said.

Mr. Willett introduced Perry J. Rice, a religious worker, who has had a number of years' experience at the border, and who submitted a number of resolutions pertaining to the Mexican question.

The resolution condemned the alleged capitalistic propaganda and urged that this country strive to continue friendly with Mexico and that the administration of Carranza be indorsed, because it was making good; praised President Wilson's administration for refraining

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from intervention and condemned the United States Mexican investigation committee, of which Senator Fall of New Mexico is the head, as "prejudiced and unfair."

RESOLUTIONS REJECTED.

These resolutions were rejected and new ones ordered to be drawn up by a committee consisting of Dr. John Thompson, general superintendent of Medical Missionary Societies; Dr. Perry J. Rice; and Dr. Yarrow. It was agreed upon that the new resolutions were to eliminate approval of the Carranza administrtion, the censor of press, an heavy financial interests.

The CHAIRMAN. Do you know Dr. Rice?

Dr. INMAN. Yes, sir.

The CHAIRMAN. He is formerly from El Paso, Tex.?

Dr. INMAN. Yes, sir.

The CHAIRMAN. Where is he now?

Dr. INMAN. He is in Chicago.

The CHAIRMAN. Do you know where Dr. Willett is?

Dr. INMAN. Yes, sir; he is in Chicago, University of Chicago.

The CHAIRMAN. Does the doctor know anything about Mexico?

Dr. INMAN. Dr. Rice does.

The CHAIRMAN. No; Dr. Willett?

Dr. INMAN. I don't know that he has any particular special knowledge of Mexico.

The CHAIRMAN. Except just such information as he got from you and others? He got his information from you and others on whom he relies?

Dr. INMAN. Yes, sir; although I have not given him any information myself.

The CHAIRMAN. You said you had a letter from him?

Dr. INMAN. Yes, sir.

The CHAIRMAN. Have you written him?

Dr. INMAN. No, sir. I think he wrote me. I think he began the correspondence.

The CHAIRMAN. Has he received a copy of this letter of yours we have been discussing this afternoon?

Dr. INMAN. I do not know.

The CHAIRMAN. It having been published in the press, it is fair to assume he has seen it, is it not?

Dr. INMAN. Yes, sir.

The CHAIRMAN. Do you think Dr. Rice can be found now in Chicago?

Dr. INMAN. Yes, sir.

The CHAIRMAN. In care of Dr. Willett?

Dr. INMAN. Yes, sir.

The CHAIRMAN. I know that Dr. Rice used to know something about Mexico and I would like to have him questioned.

Dr. INMAN. I think it would be a good idea to have him before the committee.

The CHAIRMAN. You have spoken of several documents that you would let us have and several names that you would furnish us. We have been at work now three hours and a quarter pretty steadily, and I suspect you are a little bit tired, and I know I am. I see my colleague is getting restless. One question before we close. Did you go into any of the hospitals in the City of Mexico?

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Dr. INMAN. No, sir.

The CHAIRMAN. Have you been in any of the hospitals anywhere in Mexico in the last year or two?

Dr. INMAN. No, sir; not in the last year or two.

The CHAIRMAN. You spoke of the nationalization of women. Did you mean by that that there had been no law nationalizing women, or that the custom was not prevalent anywhere in Mexico?

Dr. INMAN. I meant the custom was not prevalent.

The CHAIRMAN. Not only that there was no law, but no custom?

Dr. INMAN. Yes, sir.

The CHAIRMAN. Have you ever been in Mexico when an attack has been made upon any of these little towns you spoke of, of about a thousand inhabitants?

Dr. INMAN. I have been in Piedras Negras when attacks were made.

The CHAIRMAN. Did you know that the hospitals in Mexico were filled with little girls that have venereal diseases of different kinds, little girls 13 years old?

Dr. INMAN. The biggest percentage of the children in Mexico have venereal diseases.

The CHAIRMAN. Is that customary? You say a large percentage.

Dr. INMAN. I would want to be very careful about those things, because you understand how sensitive everyone is about those questions, but there is certainly a large percentage of the Mexican men that have venereal diseases.

The CHAIRMAN. I am speaking of the little girls. I am not speaking of the men.

Dr. INMAN. No; but I mean to say the venereal diseases are inherited.

The CHAIRMAN. I am not speaking of inherited diseases; I am speaking of those acquired by contact.

Dr. INMAN. No; I didn't know that.

The CHAIRMAN. You did not?

Dr. INMAN. No, sir.

The CHAIRMAN. I am going to ask you to be present and listen to some testimony along that line which will be offered before this committee, and I think that will possibly open your eyes. It will be offered a little later on.

Dr. INMAN. I think that testimony should certainly be established very clearly.

The CHAIRMAN. What?

Dr. INMAN. I suppose you mean that so many little Mexican girls have been raped and have gotten venereal diseases.

The CHAIRMAN. You say you suppose it can be proven?

Dr. INMAN. No, sir; I say I think it ought to be; it should be very clearly established if accepted.

The CHAIRMAN. You don't believe it?

Dr. INMAN. I don't believe in the legality——

The CHAIRMAN. I am not speaking of that. Of course you don't.

Dr. INMAN. I mean it has been brought about in Mexico.

The CHAIRMAN. What has been brought about in Mexico?

Dr. INMAN. What is the expression that was used? I don't recall it now.

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The CHAIRMAN. We were reading something here about the nationalization of women in Mexico, at which you took umbrage.

Dr. INMAN. Yes, sir.

The CHAIRMAN. And then as we were closing this afternoon I asked you what you meant by that, whether you had reference to a custom in Mexico during the last years, during this revolution, or whether you had reference to some national decree or act of nationalization. You know of no such decree or acts?

Dr. INMAN. Or custom.

The CHAIRMAN. And you know nothing about it? You have heard nothing about the custom?

Dr. INMAN. No, sir.

The CHAIRMAN. And you know nothing about the outrages of little children in Mexico which have filled the hospitals now with those children suffering with venereal diseases?

Dr. INMAN. No, sir; I never heard of that.

The CHAIRMAN. You have not been in the hospitals in Mexico?

Dr. INMAN. No, sir.

The CHAIRMAN. You have been writing about Mexico and conditions in Mexico?

Dr. INMAN. Yes, sir.

The CHAIRMAN. Do you not think you might very well have spent a few days in the city of Mexico and in the hospitals among these poor people?

Dr. INMAN. If I had done everything you had suggested this afternoon, I never would have gotten to write that book.

The CHAIRMAN. If you did not do some of those things, you should never have written the book. I have not written a book.

Dr. INMAN. I hope some day you will write a book.

The CHAIRMAN. I am going to write a chapter before we get through with this investigation.

We will be in recess until 11 o'clock to-morrow.

(Thereupon, at 6.10 o'clock p. m., the committee adjourned to meet at 11 o'clock a. m., tomorrow, Tuesday, September 9, 1919.)

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INVESTIGATION OF MEXICAN AFFAIRS.

TUESDAY, SEPTEMBER 9, 1919.

UNITED STATES SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON FOREIGN RELATIONS,
Washington, D. C.

The subcommittee met, pursuant to adjournment, at 11.20 o'clock a. m., in Room 422, Senate Office Building, Senator Albert B. Fall presiding.

Present: Senators Fall (chairman) and Brandegee.

The CHAIRMAN. The committee will come to order. Dr. Inman, will you resume the stand?

TESTIMONY OF DR. SAMUEL GUY INMAN—Resumed.

The CHAIRMAN. Doctor, there were some names and, I believe, some documents that you wanted to identify and file with the committee. There were some names you wanted to give us and some documents that you wanted to file. If you are ready, we will proceed with that. If you prefer to make any further statement now of your own before filing your documents or giving the names, just pursue your own course.

Dr. INMAN. Thank you. Mr. Chairman, in reference to the matter of my letter which was before us yesterday afternoon for some time, I would like to read a reply to the only letter that I have received from any of the oil concerns with reference to that letter and say that it states my position.

This letter is dated August 19, 1919, and addressed to Mr. Ira Jewell Williams.

Senator BRANDEGEE. Who is it signed by?

Mr. INMAN. It is signed by me. The letter is as follows:

AUGUST 19, 1919.

Mr. IRA JEWELL WILLIAMS,
1421 Chestnue Street, Philadelphia, Pa.

DEAR SIR: Allow me to answer you letter of August 13, which has come to my office, in which you protest against published statements purported to have been made by the undersigned concerning propaganda in favor of intervention in Mexico.

Let me say that my main interest in this whole matter is the prevention of intervention, which I am convinced would be absolutely unjust and un-Christian. I believe it to be my duty toward the particular cause I serve and toward my country and Mexico to do all I can to prevent intervention. In the course of such duty I wrote a personal letter "To representatives of mission boards present at the Mexico City conference, February, 1919," calling atten-

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tion to the widespread propaganda in favor of intervention in Mexico, saying that I was astounded at what certain men who had been fighting the movement told a company of interested people concerning such propaganda, particularly that of the oil interests. I then went on to quote what one of our Mexican preachers had told me intervention would mean and urged our missionary forces to use their influence with Congress and the religious press, since the daily press was largely closed to anything favorable to work against intervention.

This was a personal letter and not intended for publication. It was given out to the press without my knowledge.

The letter does, however, represent my present convictions. That there is propaganda which is making for intervention in Mexico no one who reads the papers for himself can doubt. An identical editorial, with exactly the same wording, favoring intervention recently appeared in eight different papers in widely separated areas of this country within four days of one another. The Washington administration itself, according to Associated Press dispatches, has decided that the propaganda is so brazen that it must be stopped. The New York times recently described four alleged kinds of propaganda regarding Mexico and gave detailed information concerning one propaganda agency representing some of the oil concerns.

The Nation has recently published a series of articles in which very direct charges are made against definite oil organizations and your own connection with the propaganda pointed out. Lawyer Gibbons has recently contributed a whole book directly advocating intervention. So I am at a loss to understand why a statement of mine, which happened to get into the papers, should cause any stir.

While I have made no charges against any individual or organization, if any such wishes to consider themselves referred to and can bring clear proof that I have misrepresented them, I shall, of course, be glad to acknowledge my mistake. It certainly will not prove to be less "defamatory and false," as you call my statements, than the recent letter published in the New York Times in which an association of oil producers refers to me as a Carranza propagandist.

Concerning your references to the new constitution in Mexico, and all the questions involved, you will find what I believe, after careful investigation, to be the truth of the matter in my book, "Intervention in Mexico," where I have endeavored to set forth the whole situation in as sympathetic an attiude as possible toward all concerned. I repeat that my interest in the whole matter is to prevent intervention in Mexico, which I believe would be the unpardonable national sin, just as we have come out of a war to end war and just as Mexico is beginning to return to normal life. I shall be glad to cooperate with any decent forces that are of like mind.

Yours, faithfully,

S. G. INMAN.

Mr. CHAIRMAN. I regret to bring up this whole matter again, but I felt that I ought to present that letter and also make this additional statement, since the matter was dwelt on so long yesterday.

Since the issuance of my letter to which reference has been made, I have been more convinced of the unfair practices of some of the oil interests in their fight for their own interests in Mexico, especially because of their personal attacks on me and endeavors to intimidate me. I have been threatened with a libel suit. The Association for the Protection of American Rights in Mexico have published that I was a Carrancista propagandist. A representative has attacked my character, insinuating that I was dishonest in my efforts against intervention, has made false statements about the opposition to my activities by members of my committee, and false statements concerning the work of my committee in this connection.

I did not desire to take up this matter before the Senate committee, for it did not seem to me germane here; nor have I any controversy to pursue with any of the oil men; but since you have a copy of the only letter that I have written to the oil men—you told me

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yesterday that you had this copy of the letter that I have just read——

The CHAIRMAN. Written to Mr. Williams?

Dr. INMAN. Yes.

The CHAIRMAN. Yes; I have it here before me.

Dr. INMAN. I presume that they have furnished it to you as well as my original letter, in order to bring it before your committee.

This continual attempt to intimidate me therefore leads me to make this statement, which I hope you will allow to be my final one on this subject.

Senator BRANDEGEE. What is the statement that you are reading from?

Dr. INMAN. This [indicating]?

Senator BRANDEGEE. Yes.

Dr. INMAN. Simply a letter—a little note——

Senator BRANDEGEE. Oh, something that you wrote to read to this committee?

Dr. INMAN. Yes, sir; I wrote it this morning.

The CHAIRMAN. You are reading that to the committee and expressing the hope that the committee will allow that to be the last word from you upon the subject of this letter?

Dr. INMAN. Yes.

The CHAIRMAN. I regret that you make that request of the committee. The committee is not going to allow any witness before it to make a statement of his own volition and close the hearing upon that proposition.

Dr. INMAN. Well, I simply felt, Mr. Chairman, that while so much time was spent on the matter yesterday, and confessedly I was very confused on the whole thing and was not familiar with my rights as a witness or anything of the kind, my endeavor was to avoid making any personal issues at all. I do not care to go into it. In fact, I would not like, Mr. Chairman, to go into it, but I simply make this statement, for it seemed to me that your committee should admit this statement by me which has come to me from various different sources.

Senator BRANDEGEE. It is already in the record. You have read it as a part of your testimony. It is admitted already in the record. What do you mean when you speak of an attempt to intimidate you? Who is attempting to intimidate you?

Dr. INMAN. As I said, Mr. Chairman, I would prefer not to discuss this matter any further. The letter that I have submitted explains my position, and this statement that I have just read explains what I mean by that.

Senator BRANDEGEE. You come here and read a written statement that you have prepared in which you say there is an attempt to intimidate you. And I ask you what you mean by that, and who is attempting to intimidate you, and you say you do not care to explain.

Dr. INMAN. I have explained that in my statement.

Senator BRANDEGEE. I may be dense and obtuse about it. Will you answer my question? Who is attempting to intimidate you?

Dr. INMAN. I said I have been threatened with a libel suit, and the Association for the Protection of American Rights in Mexico have published that I was a Carrancista propagandist, and a representative has attacked my character, insinuating——

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Sentor BRANDEGEE. Wait a minute. Who has attempted to intimidate you?

Dr. INMAN. I think those words are clear enough, Senator.

Senator BRANDEGEE. Who is it? You say you have been threatened with a libel suit—by whom?

Dr. INMAN. I make that statement here.

Senator BRANDEGEE. You do not answer any of my questions, Doctor. I ask you who has threatened you with a libel suit?

Dr. INMAN. Shall I read this again?

Senator BRANDEGEE. No; give me the name of the party who has threatened to sue you for libel.

Dr. INMAN. I think it is made clear here.

Senator BRANDEGEE. Well, give it to me, can you not? You know who it is, do you not?

Dr. INMAN. I have just made a plea before the committee to allow this statement to go in——

Senator BRANDEGEE. It is already in.

Dr. INMAN. And to make that my final statement on this matter.

Senator BRANDEGEE. I know; but I have the right to cross-examine you on your testimony. You have come here and read the paper which is in the record, in which you make certain statements, one of which is that somebody is attempting to intimidate you. You have not stated who it was. Another one is that somebody has threatened to sue you for libel. You have not stated who that was. I ask you to tell me who those parties are in each instance.

Do you decline to answer?

Dr. INMAN. If I have a right to; yes.

Senator BRANDEGEE. Very well. You stated that yesterday you were not familiar with your rights as a witness. Are you familiar with them to-day?

Dr. INMAN. No, sir; I am not.

Senator BRANDEGEE. Do you want to exercise any right here?

Dr. INMAN. No, sir; I do not. I simply want to put in this statement of what seems to me to be fair, and then close up this matter, which does not seem to me germane to this committee. I want to say that I have an appointment with Mr. Williams in which I expect we shall discuss all of these matters, and it seems to me that there is the place for us to clear up any personal difference, rather than here. Therefore, because of all of the things that are involved, I prefer not to discuss the matter further.

Senator BRANDEGEE. Of course, if you decline to answer questions, I shall not press you any further.

Who is the Mr. Williams that you speak of as having an appointment with you?

Dr. INMAN. This gentleman to whom I wrote the latter.

Senator BRANDEGEE. Who is he?

Dr. INMAN. I think he is president, or at least connected with the Boston Oil Co.

Senator BRANDEGEE. I do not care to inquire any further, Mr. Chairman.

The CHAIRMAN. Is Mr. Williams present?

Mr. WILLIAMS. Mr. Williams is present, sir.

Senator BRANDEGEE. Did you mean to intimate by your statement in which you say that yesterday you were not familiar with your

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rights, and you say you do not wish to exercise any right to-day, or to claim that you have been denied any of your rights?

Dr. INMAN. No, sir.

Senator BRANDEGEE. I do not then see the relevancy of the statement, myself.

That is all I care to inquire.

The CHAIRMAN. Doctor, are you willing, or do you desire that it should go out to the public and to your board and to the churches of this country that you should make a statement such as you have just made, that you have been intimidated and have been attacked, that you have been threatened with a libel suit, and that for these reasons you decline to go any further into a discussion touching your letter upon which you were examined yesterday?

Dr. INMAN. Yes, sir.

The CHAIRMAN. You want that to go out to the churches?

Dr. INMAN. I am willing for that to go out.

The CHAIRMAN. Is your purpose to make the impression upon the public that this committee will not assist you in guarding your interests in any way?

Dr. INMAN. It certainly is not.

The CHAIRMAN. Then, why decline to go into the matter further at this time with the committee? Do you not regard it as a reflection upon the committee itself that you should read such a statement as this and then decline to go any further?

Dr. INMAN. I do not see how it is a reflection on the committee. I had no idea of that at all.

The CHAIRMAN. I think, Dr. Inman, that if you have counsel you might possibly be properly notified at this time that the committee thinks they can make you go into it, and they will consult later as to what course they will take in the matter.

In connection with this statement of Dr. Inman's, the chairman files for the record a letter of September 3, 1919, addressed to Mr. James G. McDonald, chairman League of Free Nations Association, 130 West Forty-second Street, New York City, with the additional statement that this letter notifies Dr. McDonald of this hearing and requests that he should notify all the committee whom he suggested might attend the hearings to bring before the committee all documents, etc.

(The letter referred to is as follows:)

SEPTEMBER 3, 1919.

Mr. JAMES G. MCDONALD,
Chairman League of Free Nations Association,
130 West Forty-second Street, New York City.

MY DEAR MR. MCDONALD: Referring to your favors of the 13th and 14th ultimo, I am instructed by Senator Fall to thank you and to apologize for not having replied to these communications earlier. The reason for this delay is that the members of the subcommittee have been so engrossed in the duties incident to the report on the league of nations that they have been unable to get together to perfect their organization.

I am pleased to advise you, however, that the committee expects to begin hearings on next Monday, September 8, and in conformity with your very generous offer under date of the 14th ultimo, I am instructed to request that you and such members of your association as compose the committee referred to, who recently visited Mexico, appear before the committee at 11 o'clock a. m. on that date.

I am also instructed by the committee to request that the witnesses bring with them any documentary evidence, plants, maps, or other data which might

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be of use in this investigation. I am instructed to request, especially, that Mr. Samuel Guy Inman, spoken of in your letter of the 13th, be present.

Upon receipt of this communication will you kindly wire the writer or Senator Fall direct, stating at the time if it will be convenient to appear upon this request, also stating if it will be necessary to subpœna any of these witnesses.

I am,

Very sincerely, yours,

DAN M. JACKSON,
Secretary Subcommittee.

The CHAIRMAN. I also file a letter of September 4, 1919, addressed to Mr. James G. McDonald, with reference to certain propaganda matter sent out by the League of Free Nations, containing an exposition or claimed exposition of the Mexican rights to confiscate oil properties in Mexico, being advance sheets of The Oil and Paint Journal.

(The letter referred to is as follows:)

SEPTEMBER 4, 1919.

Mr. JAMES G. MCDONALD,
Chairman League of Free Nations Association,
130 West Forty-second Street, New York City.

MY DEAR MR. MCDONALD: Supplementing my letter of yesterday, the committee will be grateful if the author of the article "Mexico and petroleum exploitation—An official study of oil commission chiefs," contained in the advance proof from the Oil, Paint, and Drug Reporter, New York, August 11, 1919, would also accompany the other witnesses to the hearing of September 8, 1919.

The committee would thank you to request that the author above mentioned bring with him any documents, books, or other references from which he prepared the very interesting statement mentioned.

I regret that this communication was not contained in my letter yesterday, but same was dictated hurriedly at the close of the day, and by an oversight this matter was not included. I would thank you to construe this communication in connection with my letter under date of September 3.

Very truly, yours,

DAN M. JACKSON,
Secretary Subcommittee.

The CHAIRMAN. I also file a copy of a telegram of September 6 from the committee to Dr. McDonald answering Dr. McDonald's letter of September 4, in which letter of September 4 Dr. McDonald notified the committee that the present witness, Dr. Inman, would be here, but that Dr. Winton, Mr. Trowbridge, and Dr. Slaughter were not at that time immediately available.

The telegram of September 6 from myself as chairman notified Dr. McDonald that we had fixed this hearing at his request for the purpose of hearing all his committee, and with particular reference to the two last paragraphs of his first letter, in which he called attention of the committee to the unfair methods pursued by the House committee in its investigation, stating, with reference to Messrs. Inman, Trowbridge, Winton, and Slaughter—

urgently request you wire these gentlemen absent to appear as witnesses immediately. Also wire their full names and addresses, that separate subpœnas may be served wherever they may be.

We will be glad to have books, documents, etc., filed with the committee, but this hearing will be full and witness will be examined as to sources of information and all matters upon which they base their arguments, statements, and conclusions contained in such books or other writings or otherwise. Following examination your committee we propose immediate examination of all prominent oil men and Americans interested in Mexico. Subpœnas going forward by telegram.

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That is signed by myself as chairman of the committee, followed by a written subpœna and by a confirmation by mail of the same date.

(The telegram of September 6, refererd to by the chairman, and the letter of confirmation of the same date are here copied in full, as follows:)

[Telegram.]

SEPTEMBER 6.

JAMES G. MCDONALD,
130 West Forty-second Street, New York City:

We are fixing meeting of committee for hearing your committee following your letter August 14 and with particular reference last two paragraphs. Committee is issuing subpœnas for yourself and Drs. Inman, Trowbridge, Winton, and Slaughter to appear on Monday. Urgently request you wire these gentlemen absent to appear as witnesses immediately. Also wire their full names and addresses that separate subpœnas may be served wherever they may be.

Will be glad to have books, documents, etc., filed with committee, but this hearing will be full and witnesses will be examined as to sources of information and all matters upon which they base their arguments, statements, and conclusions contained in such books or other writings or otherwise.

Following examination your committee we propose immediate examination all prominent oil men and Americans interested in Mexico. Subpœnas going forward by telegram. Kindly wire fully.

ALBERT B. FALL,
Chairman Subcommittee on Mexican Affairs,
Foreign Relations Committee.

SEPTEMBER 6, 1919.

Mr. JAMES G. MCDONALD,
Chairman League of Free Nations' Association,
130 West Forty-second Street, New York City.

MY DEAR MR. MCDONALD: This is to confirm a telegram which is just being sent to you, as follows:

"We are fixing meetings of committee for hearing your committee following your letter of August 14 and with particular reference last two paragraphs. Committee is issuing subpœnas for yourself and Drs. Inman, Trowbridge, Winton, and Slaughter to appear on Monday. Urgently request you wire these gentlemen absent to appear as witnesses immediately. Also wire their full names and addresses that separate subpœnas may be served wherever they may be.

"We will be glad to have books, documents, etc., filed with committee, but this hearing will be full and witnesses will be examined as to sources of information and all matters upon which they base their arguments, statements, and conclusions contained in such books or other writings or otherwise. Following examination your committee we propose immediate examination all prominent oil men and Americans interested in Mexico. Subpœnas going forward by telegram. Kindly wire fully.

"ALBERT B. FALL,
"*Chairman Subcommittee on Mexican Affairs.*"

Very sincerely, yours,

DAN M. JACKSON,
Secretary Subcommittee.

The CHAIRMAN. Dr. Inman, I want to call your attention to the fact that the executive chairman, from whom we first learned of your desire to come before this committee, had been notified by telegram and by letter of the course which this examination would take.

Do you still prefer not to go further into this matter which you were questioned about yesterday?

Dr. INMAN. Yes, sir.

The CHAIRMAN. For the time being we will pass over that matter.

Who was putting up the money for the anti-intervention campaign which you were carrying on?

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Dr. INMAN. So far as I know, there was a little fund of probably $400 left from an old committee that was called the "Mexican Co-operative Committee" that worked during the time when Pershing went down there, or just before the Pershing expedition, when intervention looked so imminent, and that fund had remained with the treasurer ever since, the committee being inactive; and when some of the members of that committee saw the present crisis, they suggested to the League of Free Nations Association, which was a working organization at that time, that they should appoint a committee. That committee was appointed, and I think that the old funds were turned over to the League of Free Nations Association and they have supplemented those.

The CHAIRMAN. You say $400 remained in the old committee fund, and it was turned over to the League of Free Nations Association, and the league has supplemented this fund. Do these funds comprise all the sums which have been used in the propaganda work?

Dr. INMAN. Yes, sir; as to the League of Free Nations Association committee, or of any other that I know of.

The CHAIRMAN. I am speaking of your committee. Who is paying the expenses of yourself, for instance? By whom are your expenses paid?

Dr. INMAN. Of course, I am the executive secretary of the committee on cooperation in Latin America. My salary comes from the mission boards. I was not connected with either one of these organizations, but simply invited to come in as an outsider to work on that committee.

The CHAIRMAN. What salary do you receive?

Dr. INMAN. I receive $3,600 a year.

The CHAIRMAN. Who pays your expenses?

Dr. INMAN. The committee on cooperation in Latin America.

The CHAIRMAN. You receive nothing at all from this committee on Mexico or from the League of Free Nations Association for your services?

Dr. INMAN. No, sir.

The CHAIRMAN. Do you want the public to understand that this book which you have gotten out on intervention in Mexico should be a guide to the people in the country generally with reference to Mexican affairs and should assist them in determining what they should do with reference to Mexico?

Dr. INMAN. It naturally represents my opinion and the opinion that I hope others will take.

The CHAIRMAN. That was your purpose in writing it and sending it out at this time?

Dr. INMAN. Certainly.

The CHAIRMAN. Who is paying for the publicaion of it?

Dr. INMAN. It is published by publishers who give me a royalty on the books, if enough of them are sold.

The CHAIRMAN. Do you object to answering as to whether you saw editorials in different papers, particularly in the New York World, stating that this letter of yours, this "riot call" letter, was given out by the Presbyterian Board of Foreign Missions?

Dr. INMAN. I did not see such an editorial; no, sir.

The CHAIRMAN. Did you see any statement in any of the papers to that effect?

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Dr. INMAN. Yes, sir.

The CHAIRMAN. Who is Dr. Halsey?

Dr. INMAN. Dr. Halsey is one of the secretaries of the Presbyterian Board of Foreign Missions.

The CHAIRMAN. Has Dr. Halsey given publicity to any statement with reference to this letter of yours?

Dr. INMAN. About any statement with reference to the letter?

The CHAIRMAN. Yes.

Dr. INMAN. Not that I know of.

The CHAIRMAN. Do you know whether he ever denied that the letter was sent out by the Presbyterian board with their knowledge, denying this statement you have just testified to as having seen in the papers?

Dr. INMAN. No, Mr. Chairman: again I do not like to go further into that matter. It seems to me it has been discussed enough.

The CHAIRMAN. You say "No." Do you mean to say that you do not know or you have not seen or have no knowledge of any denial of Dr. Halsey such as I have referred to?

Dr. INMAN. I would like to repeat my request, Mr. Chairman, that I have tried to be just as kindly as I could and be as open and frank as possible in answering your questions, but I should prefer not to discuss further this matter of the letter.

Senator BRANDEGEE. Do you take the position that you are to be the judge of when a matter has been sufficiently discussed before this committee?

Dr. INMAN. I certainly do not; I simply make that request of the committee.

Senator BRANDEGEE. You have declined to answer certain questions that I have asked you. Do you decline to answer the question that the Senator has just put to you?

Dr. INMAN. I made that request to the committee.

Senator BRANDEGEE. I know; but so far as I am concerned, the request is denied. If the committee denies your request that you should be excused from answering, do you decline to answer the question?

Dr. INMAN. If I have the authority to do so.

Senator BRANDEGEE. You have got to decide whether you will answer or not.

Dr. INMAN. If that remains with me, then I refuse to answer.

Senator BRANDEGEE. It remains with you to say whether you refuse or not, and it remains with us to decide what we shall do about it if you do refuse.

The CHAIRMAN. You refuse to answer at this time?

Dr. INMAN. Yes, sir.

The CHAIRMAN. As showing the line of questioning which the committee proposes to pursue, I will, for the record, ask another question. Did you make any effort to correct the misapprehension of the public as to whether your letter was sent out with the consent of the Presbyterian Board of Missions or not? Of course, you can refuse to answer, if you desire to do so. Do you decline to answer that?

Dr. INMAN. I decline to answer that.

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The CHAIRMAN. Of course, you understand that what members of the committee have said does not warrant you in believing that you can refuse to answer the questions of this committee with impunity.

Dr. INMAN. I understand. I understand that it is just kindness on your part that you do not pursue the matter, and I appreciate it.

The CHAIRMAN. To follow that with one other question along that line. In the event it were true that impression was as you have testified, you have seen from the publication in the papers, that your letter went out with the consent of the Presbyterian Board of Missions, and that it is true also that Dr. Halsey denied such statement, repudiated such impression, and that you have taken no steps whatsoever to correct such impression, then, in your opinion, would you be doing what was fair and just with the Presbyterian Board of Missions.

Dr. INMAN. Certainly, Dr. Halsey has not denied that the letter went out from his office. I have never heard of that.

The CHAIRMAN. Now you have gone back to the question which I asked you, and I repeat it. Dr. Halsey denied that it went out with the consent or was given out by the Presbyterian Board of Foreign Missions. That is the question that you declined to answer. But you now say that Dr. Halsey has not denied certain things. I repeat the question.

Dr. INMAN. I do not know that Dr. Halsey has given out any statement on the question.

The CHAIRMAN. Do you know Dr. Teeter?

Dr. INMAN. Yes, sir.

The CHAIRMAN. Who is he?

Dr. INMAN. Dr. Teeter is a Methodist missionary in Chile, or was formerly a Methodist missionary there, and has been in charge recently of a seminary movement of the Methodist Church for South America.

The CHAIRMAN. Is he a man of good character?

Dr. INMAN. I think so.

The CHAIRMAN. You say you think so. Do you have any doubt about it?

Dr. INMAN. No.

The CHAIRMAN. Then, in your opinion, he is a man of good character?

Dr. INMAN. Yes.

The CHAIRMAN. Do you know Dr. Fisher?

Dr. INMAN. Dr. Fred Fisher?

The CHAIRMAN. Yes, sir.

Dr. INMAN. I know him. Not very well, personally, but I know of him very well.

The CHAIRMAN. Where is he?

Dr. INMAN. He is in New York.

The CHAIRMAN. Have either Dr. Fisher or Dr. Teeter any connection with the interchurch movement?

Dr. INMAN. Dr. Fisher has. I don't know that Dr. Teeter has.

The CHAIRMAN. Do you know Dr. Farmer?

Dr. INMAN. Yes, sir.

The CHAIRMAN. Has he any connection with the interchurch movement in Latin-America?

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Dr. INMAN. I think he has.

The CHAIRMAN. Dr. Teeter also has some connection, has he?

Dr. INMAN. I don't think Dr. Teeter has.

The CHAIRMAN. And Dr. Fisher?

Dr. INMAN. Dr. Fisher, yes, sir.

The CHAIRMAN. Drs. Fisher and Farmer, then, have connection with the interchurch movement. Are they men of equally good character, and both of good character?

Dr. INMAN. I should certainly say so.

The CHAIRMAN. What are their duties with reference to the activities of the interchurch movement in Latin America?

Dr. INMAN. Well, I do not know that Dr. Farmer was connected with the movement until just the other day. He told me he was making a survey of the Philippine Islands for the interchurch committee.

The CHAIRMAN. Do they play any part in determining the policies of the interchurch movement?

Dr. INMAN. Dr. Farmer and Dr. Fisher?

The CHAIRMAN. Yes, sir.

Dr. INMAN. Yes, sir.

The CHAIRMAN. They do?

Dr. INMAN. I should say so.

The CHAIRMAN. What part do you play in determining the policies of the interchurch movement in Latin America?

Dr. INMAN. I have been asked by the interchurch movement to direct their surveys for Latin America, and also to publish a paper in Spanish, or be the general editor of a paper in Spanish, to expand the interchurch movement in Latin America.

The CHAIRMAN. That is your sole connection with the interchurch movement in Latin America?

Dr. INMAN. Well, I am connected with the two departments, the survey department and what is called the field department. The survey department is to study the conditions in Latin America and to make up a book, and the field department is to work with the people, the members of the Evangelical churches and others, to get them to understand and to cooperate in the interchurch movement.

The CHAIRMAN. You have some board or committee which formulates the policies and outlines the work which is to be done in each of these departments, have you?

Dr. INMAN. There is a department of survey and another field department, with their respective secretaries.

The CHAIRMAN. In operating with or under these departments, are you under the control or direction or advice of some one else, or do you act simply as you please?

Dr. INMAN. Well, naturally we act together, in cooperation.

The CHAIRMAN. Do you have equal voice with any one else in outlining the work that is to be done?

Dr. INMAN. Probably in Latin America, that is my particular field. Of course, there is a general secretary, who has charge, is in charge of all of the fields—Latin America and China and Japan and all the others.

The CHAIRMAN. Are you authorized to inaugurate any new policies or outline any new policies with reference to your Latin-American work?

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Dr. INMAN. I should not think so. If I understand your meaning of "policies," I would say not. You see the interchurch world movement is not an executive body; that is, it is not a body that employs missionaries, sends them out; it is simply a body to promote interest and to promote the collection of funds for the boards.

The CHAIRMAN. How does it operate—through a committee or governing board, or how?

Dr. INMAN. It operates through what is called a committee of one hundred, which numbers now about 150, and that is an executive committee of some 22 members, and then the cabinet of secretaries.

The CHAIRMAN. The executive committee and some 22 members is the committee to whom you addressed this letter that we were talking about yesterday, is it not?

Dr. INMAN. No, sir.

The CHAIRMAN. To whom was that addressed?

Dr. INMAN. That was addressed to the individuals who were present at the Mexico City conference, representing the mission boards.

The CHAIRMAN. The committee of 22 whom you have just mentioned is the same committee you spoke of yesterday in your testimony, is it not?

Dr. INMAN. No. Really this is not a committee that my letter was addressed to.

The CHAIRMAN. I am not speaking of the letter, but you testified to a committee yesterday, as I understood. If you did not, we will find out about it now. Does this committee of 22 operate by itself or has it an executive committee or a cabinet?

Dr. INMAN. It has a cabinet of employed secretaries.

The CHAIRMAN. Who outlines the policy, if anyone, pursued by this committee of 22?

Dr. INMAN. Dr. S. R. Taylor is general secretary.

The CHAIRMAN. Does the secretary outline the policy?

Dr. INMAN. I suppose he is looked to more than anyone else for that.

The CHAIRMAN. In your letter, which we were discussing yesterday, outlining a policy or attempting to adjust the following of a certain policy, was it simply your own policy or that of your associates?

Dr. INMAN. That letter simply represented me.

The CHAIRMAN. Did you consult any of your associates before sending that letter?

Dr. INMAN. I don't think I did.

The CHAIRMAN. You want us to understand that you simply sat down and dictated that letter and sent it out yourself without consultation with any one?

Dr. INMAN. Yes, sir. Dr. Winton suggests that you may not distinguish between the interchurch world movement, which is of very recent origin, and this older committee with which I have been associated for several years, the committee on cooperation in Latin-America, which is a permanent organization representing the various mission boards. I admit myself that there are intricate relations in there and it is difficult to understand.

The CHAIRMAN. What is this old permanent committee on Latin-America? How many members constitute that committee?

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Dr. INMAN. It is made up of one representative from 30 different mission boards.

The CHAIRMAN. Then, there are 30 representatives, are there?

Dr. INMAN. Yes; and a few other cooperative members, making 32 or 34 altogether.

The CHAIRMAN. Are they represented by a committee in turn or by a secretary, or what, and how do they operate?

Dr. INMAN. They operate with an executive committee of about 12, and then Dr. Winton and myself are the 2 secretaries who give all of their time to the work.

The CHAIRMAN. Did you consult Dr. Winton before sending out this letter?

Dr. INMAN. No; Dr. Winton was in Nashville.

The CHAIRMAN. You stated to me yesterday that you had a letter which you intended to file. Have you the original or a copy of this letter now in your possession?

Dr. INMAN. Yes, sir; it is in these papers [indicating papers].

The CHAIRMAN. Will you hand it to me for a moment?

Dr. INMAN. I think probably after you showed me your copy last night I took it out. No. Here it is [producing a typewritten paper].

The CHAIRMAN. This is a correct copy of it, is it?

Dr. INMAN. Yes, sir.

The CHAIRMAN. It is on the letterhead "The American Section of the Committee on Cooperation in Latin-America, representing the American and Canadian mission boards working in Latin-America. 25 Madison Avenue, New York. Officers: Robert E. Speer, D. D., chairman; Bishop William Cabell Brown, D. D., vice chairman; Bishop Luther Wilson, D. D., vice chairman; Samuel G. Inman, executive secretary; Webster E. Browning, D. D., Ph. D., educational secretary; George B. Norton, D. D., editorial secretary; James H. Post, treasurer; E. T. Coulton, chairman committee on survey; Henry C. King, D. D., LL. D., chairman committee on education; Gilbert N. Brink, D. D., chairman committee on literature; Edmund F. Cook, D. D., chairman committee on home base; E. E. Olcott, chairman committee on finance. Executive committee: John R. Mott, LL. D.; Miss Margaret E. Hodge; Frank Mason North, D. D.; T. B. Ray, D. D.; S. H. Chester, D. D.; E. H. Rawlings, D. D."

And those whose names I have already read, which names are marked with an asterisk.

Office of the executive secretary, 25 Madison Avenue, New York City. Temporary cable address: "Student"; telephone, Madison Square 98090.

You say that this was a private letter?

Dr. INMAN. Yes, sir.

The CHAIRMAN. Signed by yourself personally?

Dr. INMAN. Yes, sir.

The CHAIRMAN. And, of course, the fact that your name appears as the executive secretary of this committee on cooperation in Latin-America, in your judgment would carry no additional weight, so far as the contents of the letter are concerned.

Dr. INMAN. No more than my name would.

The CHAIRMAN. Your official position, in other words, would add nothing whatsoever to the weight that the churches or the people

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engaged in Christian work in this country would give to any kind of a document?

Dr. INMAN. No, sir; not attached to that letter, where all of the men knew me very well, all those to whom it went knowing me well.

The CHAIRMAN. These men to whom you say it went would have no right to assume that this letter, being written on this letterhead, had been presented to any of the other officials or members of the committee who are named on the letterhead itself?

Dr. INMAN. No, sir.

The CHAIRMAN. When you intend that your correspondence shall be entirely private, as distinguished from your official correspondence, you nevertheless use your official letterheads?

Dr. INMAN. Yes, sir.

The CHAIRMAN. You know how it was treated generally by the press and the periodicals in the country, do you not?

Dr. INMAN. No.

The CHAIRMAN. I call your attention to an article underscored, called to my attention by the committee counsel. Do you think that article refers to this letter of yours [handing witness a marked article]?

Dr. INMAN (after examination). It probably does.

The CHAIRMAN. This is news to you, then, as contained in this article, that this letter, being sent as it was, is classed in the Literary Digest as a report put out by the board of foreign missions of the Presbyterian Church?

Dr. INMAN. I saw that in the New York Times.

The CHAIRMAN. Well, did you correct it in the New York Times?

Dr. INMAN. No, sir.

The CHAIRMAN. You took no steps in that direction?

Dr. INMAN. No, sir; I don't know whether the Presbyterian board put it out or not. I supposed that they had.

The CHAIRMAN. Do you still think that they put it out?

Dr. INMAN. The explanation that has been given to me was that the secretary gave it to the Presbyterian New Era movement.

The CHAIRMAN. What secretary?

Dr. INMAN. Dr. Halsey, with simply a statement that here are some things that we ought to do what we can to counteract. The doctor and I both were surprised when they put it out. I supposed the Presbyterian board had put it out, from what the newspapers said.

The CHAIRMAN. Do you know anything to the contrary now?

Dr. INMAN. Simply that Dr. Halsey gave it to the publicity department of the New Era movement of the Presbyterian Church, but not supposing that they would put out the letter; simply as private information. They are the ones that gave the letter to the press.

The CHAIRMAN. Then you understand that it is known that this letter was put out by the board of foreign missions of the Presbyterian Church?

Dr. INMAN. I understand it was put out by the New Era movement.

The CHAIRMAN. Let us see if we can discover who composes or constitutes, who is responsible for, the New Era movement. Who are at the head of the New Era movement?

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Dr. INMAN. I am not very familiar with that. It is entirely a Presbyterian organization, but it is like the Methodist Centenary, and those other movements that represent the whole denomination?

The CHAIRMAN. Then it is your information that this letter of yours has been indorsed by the New Era movement, which is a movement fostered by the Presbyterian board?

Dr. INMAN. Fostered by the Presbyterian Church.

The CHAIRMAN. Well, fostered by the Presbyterian Church, that it has the indorsement of the New Era movement of the Presbyterian Church?

Dr. INMAN. At least they are the ones that gave it out.

The CHAIRMAN. They are the ones that gave it out and they are responsible for it, if they gave it out as a report?

Dr. INMAN. I should say they are responsible for it; yes.

The CHAIRMAN. Then, if there is any responsibility for the furthering of this report at all, so far as the press is concerned, it is up to the Presbyterian board or the Presbyterian Church and the New Era movement in that church?

Dr. INMAN. Well, that is the way it went out to the press.

The CHAIRMAN. I am asking you a question. You say you are not responsible for it getting out, that you did not indorse it except as a private piece of information. Then if it is indorsed by anyone at all, or it goes out with any force—because you did not even write it in your official capacity and did not indorse it in your official capacity—if it has any official sanction at all, it is that of the Presbyterian Church, through its New Era movement?

Dr. INMAN. I am willing for you to make your interpretation of that.

The CHAIRMAN. I am asking you what the facts are. I know nothing about it.

Dr. INMAN. Well, neither do I. I do not know just where the responsibility would lie there.

The CHAIRMAN. At least you yourself are willing—although this was a private letter, not intended for publication, not submitted to any of your associates who were charged with directing the policy of the work in which you were engaged, purely a private personal communication of your own—you were willing to see it held out to the public in the New York Times and other papers, and similar articles to this, which you have just read in the Literary Digest of August 30, as a report of the board of foreign missions of the Presbyterian Church; you are willing to have that go out and not correct it, here or anywhere else?

Dr. INMAN. I do not think it is my business to correct it; no.

The CHAIRMAN. You were speaking yesterday of propaganda. I have here Collier's Magazine of September 13, with an article, "The Mexican Muddle," by William Slavens McNutt. Will you glance over that article and give us your opinion of it?

Dr. INMAN (after examining the article). I would not accept this statement.

The CHAIRMAN. Will you turn over and look at it further? That article is quite a lengthy one, and there are some portions of it marked.

Dr. INMAN (after further examination). I certainly would not agree with that, Mr. Senator.

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The CHAIRMAN. Well, why would you not agree with it, Doctor?

Dr. INMAN. Because I do not believe the statements that he makes there. For instance:

A Carranzista, you see, is a Mexican temporarily soldiering under the banner of Carranza.

I have too many friends like Gen. Gregorian Osuna, whom I know are perfectly loyal and as disinterested men as there are anywhere, who are giving themselves to that cause because they believe in it.

Then this statement here:

Carranza can not travel in his own country; does not dare move ouside of Mexico City.

He took quite an extensive trip recently through Mexico, and he goes out of Mexico City very often; travels wherever he cares to.

The CHAIRMAN. In any particular direction?

Dr. INMAN. Why, this last trip, as I remember, was over toward Alisto. The trip before that was in what has been the disturbed region of Morales.

The CHAIRMAN. Does he travel under guard or not?

Dr. INMAN. I suppose he has a military train go before him. Most all the passenger trains have in Mexico at the present time.

The CHAIRMAN. And there are soldiers on the train with him?

Dr. INMAN. I suppose so.

The CHAIRMAN. And there is a military train with him?

Dr. INMAN. It may be; I don't know about that.

The CHAIRMAN. As a matter of fact, you know that he never travels without troops with him outside the City of Mexico, do you not?

Dr. INMAN. I should judge that that is so; yes, sir.

The CHAIRMAN. Well, you know it, do you not?

Dr. INMAN. Not that I have any proofs of it at all. I don't remember any statements whatever——

The CHAIRMAN. If you have no proofs of it, how can you deny Mr. McNutt's statement?

Dr. INMAN. I said I did not believe it.

The CHAIRMAN. But you do believe that Carranza can travel with an army train in front of him and with troops on his own train and possibly a train of troops coming along behind him?

Dr. INMAN. Well, I know he did make a trip last spring.

The CHAIRMAN. You know that of your own knowledge, do you?

Dr. INMAN. Yes, sir.

The CHAIRMAN. Do you know how he made it, of your own knowledge?

Dr. INMAN. No; I do not.

The CHAIRMAN. You do not?

Dr. INMAN. I do not recall. I simply know it through the press. It was reported quite extensively.

The CHAIRMAN. Well, you were not interested in giving information down there, Doctor, further than what you saw in the press, are you? Is that the idea? Nearly everything you have testified to here, you have referred back to the press or some newspaper clipping. Is that the source of your information with reference to Latin-American affairs generally? Do you depend on the press for your information with reference to Latin-American affairs generally?

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Dr. INMAN. The press, and books that I read and when I travel over the country, of course, investigations that I make.

The CHAIRMAN. Now, when did you make your last trip into Mexico?

Dr. INMAN. I went the latter part of January and came back in March.

The CHAIRMAN. Where did you go into Mexico?

Dr. INMAN. I went into Mexico at Laredo.

The CHAIRMAN. From Laredo where did you go?

Dr. INMAN. Down through Monterey and Saltillo, San Luis, Aguas Calientes, Zacatecas, Mexico City, back to Saltillo, and Piedras Negras.

The CHAIRMAN. How long did you stop at the different places? Did you make stops at the different places?

Dr. INMAN. Ordinarily, three or four days.

The CHAIRMAN. What was your business?

Dr. INMAN. I was going down to arrange a conference with the missionary societies at the City of Mexico, to which I have already made reference.

The CHAIRMAN. Yes. And in doing so, did you stop for the purpose of consultation with those who were to attend the conference, or for what purpose?

Dr. INMAN. The purpose of either gathering information about the conference or consultation. There was a party along with me of missionary secretaries and missionaries, and all of the parties stopped at these various cities I have mentioned.

The CHAIRMAN. You stopped at the cities?

Dr. INMAN. Yes, sir.

The CHAIRMAN. Everyone of those cities has a garrison of Carranza soldiers, has it not?

Dr. INMAN. Yes, sir.

The CHAIRMAN. All of them. Is the railroad guarded—the railroad upon which you traveled?

Dr. INMAN. I think practically all of the trains have military trains go in front of them.

The CHAIRMAN. Your train had a military train and troops preceding it?

Dr. INMAN. Yes, sir; or some times soldiers on the cars in front.

The CHAIRMAN. You didn't mention that in your report you have given publicity to in this country, did you?

Dr. INMAN. Yes, sir.

The CHAIRMAN. Did you mention it in your book?

Dr. INMAN. No, sir; I don't think I did; but I have stated that, Mr. Chairman, right in my addresses, right straight along. I have always said it.

The CHAIRMAN. That you traveled with a military train in front of you?

Dr. INMAN. Yes, sir; I stated it very often.

The CHAIRMAN. Your audiences never placed any significance upon that when you were telling them about the good order and the good Carranza government in Mexico?

Dr. INMAN. Well, Senator, I never claimed there was order such as did not need any military discipline whatever, or did not need military trains. I have tried to keep away from claiming that there

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were perfect conditions in Mexico. I said yesterday, I don't believe that. Conditions are torn up.

The CHAIRMAN. Doctor, did you take your associates, or by yourself did you leave the towns and go out into the country districts any distance from the railroads on that trip?

Dr. INMAN. I think only in San Luis did we make a trip of any distance on the outside.

The CHAIRMAN. Did you meet the Cedillos brothers at San Luis?

Dr. INMAN. No, sir.

The CHAIRMAN. You know who they are? Did you ever hear of them?

Dr. INMAN. The name sounds familiar, but I can't recall just who they are.

The CHAIRMAN. How far out from San Luis did you go?

Dr. INMAN. Oh, only something like 20 miles.

The CHAIRMAN. In one direction?

Dr. INMAN. Yes, sir.

The CHAIRMAN. And returned?

Dr. INMAN. And returned.

The CHAIRMAN. Did you have any troops with you?

Dr. INMAN. No, sir.

The CHAIRMAN. Did you see any troops on the road?

Dr. INMAN. No, sir.

The CHAIRMAN. You did not see any bandits?

Dr. INMAN. No, sir.

The CHAIRMAN. Which direction did you go, Doctor?

Dr. INMAN. I went out east of San Luis. I went out to a mine where some Americans were out there. In fact, I did not go out on that trip, as I remember now. Some of the other parties went out there, and I stayed in San Luis and did some investigating.

The CHAIRMAN. During the course of your investigations did you inquire as to peace and quiet and order in the State of San Luis Potosi?

Dr. INMAN. Not particularly. Of course, while we were there, there was a raid on Catorces.

The CHAIRMAN. How far is that from the capital of San Luis Potosi?

Dr. INMAN. I should think that is 60 or 80 miles above San Luis.

The CHAIRMAN. Do you know who led that raid?

Dr. INMAN. No, sir; I don't know who it was.

The CHAIRMAN. You do not know any of the so-called bandit leaders in Mexico at all?

Dr. INMAN. Not personally.

The CHAIRMAN. But the name of Cedillos brothers is a little familiar to you?

Dr. INMAN. Yes, sir; that is a little familiar to me.

The CHAIRMAN. Did you hear it in San Luis Potosi?

Dr. INMAN. They may have been the ones that went into Catorce, but I don't remember about that.

The CHAIRMAN. You didn't hear of any fraternizing between the Carranza so-called troops and the bandit so-called soldiers, or raiders, or bandits, did you, in San Luis Potosi?

Dr. INMAN. No, sir.

The CHAIRMAN. Or anywhere else in Mexico?

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Dr. INMAN. Well, I heard, of course, of those things. Those were alleged by different people and quite often in the press.

The CHAIRMAN. Well, you saw it in the press and you heard it from different people?

Dr. INMAN. That was the general impression I had. I suppose I must have heard it in that way. It has been about six months ago.

The CHAIRMAN. Now, referring back to this article on the Mexican muddle, of course, you have not read it thoroughly, but you disagree with some of the statements contained in it, two of which you pointed out. What would you call that article, or such articles as that, where they occur, as they do, in the papers. What do you think is the purpose of it?

Dr. INMAN. Well, I don't know. Of course I suppose this man wants to present the side of it as he sees it.

The CHAIRMAN. Which side of it?

Dr. INMAN. A very dark side.

The CHAIRMAN. What would you judge from the reading of the article as to its purpose?

Dr. INMAN. To present the situation in Mexico as he sees it.

The CHAIRMAN. As he sees it?

Dr. INMAN. Yes, sir.

The CHAIRMAN. You would not call it propaganda for intervention?

Dr. INMAN. I think articles of that kind, of course, tend to make the people of the United States feel that intervention is necessary.

The CHAIRMAN. And it is articles of that kind that you criticize as being articles intended to bring about armed intervention in Mexico?

Dr. INMAN. I think such articles will lead the people of the United States to believe in the necessity of armed intervention as the only solution.

The CHAIRMAN. Do you think that was the purpose of the article?

Dr. INMAN. I don't know. I don't know the author or anything about him. He may have been simply presenting his side of the question, and he has a perfect right to do it.

The CHAIRMAN. Is that in line with what you are calling or denouncing in your literature as intervention propaganda, which you must offset, which your church organization must offset?

Dr. INMAN. Well, the direct intervention propaganda, of course, is the particular thing.

The CHAIRMAN. Well, what is that? Outside of the one article from a man named McDonald in the San Francisco paper, what else have you in line with any intervention propaganda?

Dr. INMAN. Well, Mr. Chairman, I can bring you any amount of clippings you want from papers advocating intervention in Mexico.

The CHAIRMAN. You are advocating intervention in Mexico yourself, are you not?

Dr. INMAN. I mean armed intervention.

The CHAIRMAN. What do you understand as to the difference between armed intervention and a war with Mexico?

Dr. INMAN. I think there would be very little difference.

The CHAIRMAN. Then, you do not agree with Dr. Cannon that this country should hold off until some occasion for war arises, and then should make war on Mexico?

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Dr. INMAN. If there is a real occasion for war, yes; we ought to make war.

The CHAIRMAN. Then, you are willing to let things drag along as they are, with your efforts in educating the people, with the hope that war will be avoided? That is your purpose, is it?

Dr. INMAN. Mr. Chairman, I would not say "drag along." I believe that we ought to do everything we can.

The CHAIRMAN. What ought we to do? That is exactly what we are trying to get at. What ought the American people to do with reference to the Mexican people or Mexico?

Dr. INMAN. Well, in the first place, of course, I go back to my work.

The CHAIRMAN. Sure. They should all read your book first?

Dr. INMAN. I don't mean my book. My book seems to trouble you, Senator.

The CHAIRMAN. Well, Doctor, I will say very frankly that the only trouble I have with it is that it does not, as you have stated, state the facts with reference to Mexico. You entirely ignore the history of Mexico, and you do not, I think, state the facts with reference to Mexico. For instance, you do not state that on the trips you referred to in your book that you were preceded, with your missionaries, by an armed military train. You do not refer to that at all. Apparently, and so far as your book is concerned, everything was quiet and serene, and you made that trip without possible appearance even of danger. You do not refer to any armed military trains.

Dr. INMAN. May I see a copy of the book?

The CHAIRMAN. Yes, sir.

Dr. INMAN. I will show you that I do refer to those conditions.

The CHAIRMAN. That particular book we have digested, and if you have another copy you can use that.

Dr. INMAN. I left you a copy here yesterday.

The CHAIRMAN. I don't know where the other one is now. While you are looking for the passage, I asked you yesterday some questions with reference to conditions on the west coast, and called your attention to a paper, which, of course, as you know, would not be allowed to be published unless it was a friendly paper, in Guaymas, Sonora, referring to a raid of Yaquis into Guaymas, and asked you some questions about that city and the civilization there. You were comparing the civilization there with the civilization here, and seemed not to understand anything about the history of the settlements. You seemed to think that Guaymas was in the Yaqui country.

Dr. INMAN. Here is one passage in my book.

Senator BRANDEGEE. What page is it on?

Dr. INMAN. Page 175:

> The Americans recognized as the worst element in the situation the graft of the lesser Government officials, and especially among the numerous generals of the army and the army organization in their dealings with the people. They are willing to admit that it has probably been impossible for President Carranza to weed out this unsatisfactory element because of the probability of their turning against him, in which case he would lose more ground than he would gain.

There is one place where I point out the graft and cite an editorial which is criticizing very strongly these generals.

The CHAIRMAN. Do you cite any particular instances of graft by Carranza or any of his associates or generals?

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Dr. INMAN. No, sir; I do not cite any particular instances.

The CHAIRMAN. But you do when you refer to the Diaz administration, do you not?

Dr. INMAN. Yes, sir.

Senator BRANDEGEE. You do not cite these instances of graft among the subordinate officers or the generals of the army as indicating anything about the danger of travel without military protection, do you?

Dr. INMAN. No, sir.

Senator BRANDEGEE. That was the question the Senator asked you, and you said in your book you did refer to that.

Dr. INMAN. Well, I referred to the abuse of the military.

Senator BRANDEGEE. No; that is not what he asked you. He asked you about it being necessary to have armed protection in order to travel. Do you say anything in your book about that?

Dr. INMAN. I don't think I say anything in my book about that. As I say, I have said it in addresses many times.

The CHAIRMAN. So, that in so far as your book is concerned, with reference to this meeting of your missionaries in the City of Mexico, you stated yesterday that this meeting of missionaries was held by missionaries coming in from all parts of the republic, and you stated nothing at that time about the necessity of your missionary train being guarded or preceded by a military train, and you say nothing about it in your book.

Dr. INMAN. That was a resolution, Senator, adopted by all of the conference.

The CHAIRMAN. What?

Dr. INMAN. I read a resolution yesterday, explaining how the various people had come in. That was the resolution of the conference and not my own personal work.

The CHAIRMAN. You adopted it, I presume?

Dr. INMAN. Yes, sir.

The CHAIRMAN. You read it in and stated it for what it was worth?

Dr. INMAN. Certainly.

The CHAIRMAN. But you did not state in connection with that, or in connection with your testimony, that it was necessary that you be preceded by an armed train to enable you to get to that conference?

Dr. INMAN. No, sir. There are a good many other things we didn't state in there, because necessarily those things have to be condensed.

Senator BRANDEGEE. Was not the statement at this conference of missionaries assembled in the City of Mexico, from all the points from which they started, given for the purpose of showing that it was safe to travel through Mexico from all these different points to the capital? In fact, did those delegates or clergymen that attended the conference in Mexico City have armed guards to protect them, either in the case of armored trains in advance or in the rear, or any other sort of military protection?

Dr. INMAN. I have already stated that the train I traveled on did.

Senator BRANDEGEE. Do you know what the fact was about the other trains?

Dr. INMAN. No, sir. I suppose it was the same.

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Senator BRANDEGEE. You suppose they all had military protection in order to get to the capital?

Dr. INMAN. I suppose so.

The CHAIRMAN. Now, Doctor, in regard to this resolution and in connection with it, the resolution itself which you read stated they had arrived there without any trouble, without any "untoward event."

Dr. INMAN. Untoward event.

The CHAIRMAN. And still you are entirely silent upon the fact that in your travel without any "untoward event" it was necessary to have your military escort? You did not mention the military escort?

Dr. INMAN. No, sir; I did not mention any military escort.

Senator BRANDEGEE. Do you not consider it to be an "untoward event" that men have to be protected by armed forces to travel from one point to another?

Dr. INMAN. It did not seem the conference considered that. That has been customary a long time in Mexico.

Senator BRANDEGEE. You mean you got so used to danger you did not think anything about it?

Dr. INMAN. They did not think anything about it.

Senator BRANDEGEE. And that you considered to be an improved condition of the country?

Dr. INMAN. At least an improved condition of the people as to travel.

Senator BRANDEGEE. That is, they were improved because they dared to travel?

Dr. INMAN. They were not so nervous, anyway.

Senator BRANDEGEE. Have we got to go across the border, Senator?

The CHAIRMAN. If we do we will certainly ask for an armed train.

Senator BRANDEGEE. We have only two majority in the Senate.

The CHAIRMAN. I think we will stay away. Doctor, did you talk to the people who went in El Paso to attend that conference?

Dr. INMAN. Yes, sir.

The CHAIRMAN. Did they go straight through on the railroad, the Mexican Central Railroad, from El Paso to the City of Mexico without any stop?

Dr. INMAN. No, sir; they stopped right along. They were up there about three or four weeks.

The CHAIRMAN. What were they doing?

Dr. INMAN. Studying the missionary territory.

The CHAIRMAN. But trains were running right along in January and February. There were no breaks on the railroads at all?

Dr. INMAN. They came down all right from the border.

The CHAIRMAN. Yes; but how about the country around Parral, just off the road, off the Mexican Central by way of Jimenez?

Dr. INMAN. They take and retake that city, of course, so that it is pretty hard to tell who has got it.

The CHAIRMAN. In taking it and retaking it, do you know enough about the geography to know whether they have to cross the Mexican Central Railroad?

Dr. INMAN. I should think that would depend on where they come from.

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The CHAIRMAN. Well, suppose that they came from Villa, who is the gentleman who has taken the town repeatedly recently, and most recently, would they cross the Mexican Central to get to it or not? Do you know where they are? Do you know anything about the conditions generally there in Mexico or about the geography of Mexico?

Dr. INMAN. I know a little bit about the geography of Mexico.

The CHAIRMAN. Very well. You have heard of Villa? You mention him in this letter?

Dr. INMAN. Yes, sir.

The CHAIRMAN. Do you know whether, in taking Parral, from his rendezvous he would cross the Mexican Central Railroad or not?

Dr. INMAN. He changes his rendezvous pretty often, Mr. Chairman.

The CHAIRMAN. Well, possibly you are more familiar with him than I am. Do you not know that every time Parral has been taken, or any town has been taken in that vicinity, or within 50 miles of the Mexican Central Railroad, or any other railroad, that the road is invariably torn up?

Dr. INMAN. That the main line is?

The CHAIRMAN. Yes.

Dr. INMAN. No, sir; I do not know that.

The CHAIRMAN. They just leave it open behind them, so that the Carranza garrison from the nearby towns can close up on their rear, do they?

Dr. INMAN. Parral is not on the main line.

The CHAIRMAN. I am aware of that fact. Do you know where Jiminez is?

Dr. INMAN. Yes, sir.

The CHAIRMAN. You know where Torreon is?

Dr. INMAN. Yes, sir.

The CHAIRMN. Do you know anything about the general peace, order, and quiet in the country around any of the capitals or any of the towns you have mentioned?

Dr. INMAN. Well, things seemed to be pretty quiet around Monterey, for example, and around Saltillo. I don't think there was any disturbance in Coahuila.

The CHAIRMAN. Since when. You are speaking of the trip you made down there?

Dr. INMAN. I knew of none at that time, and do not know of any at the present time.

The CHAIRMAN. What significance, if any, do you place upon the recent proclamation of General Zuazua that he has restored order in those places?

Dr. INMAN. I did not see that.

The CHAIRMAN. Did you not?

Dr. INMAN. No, sir.

The CHAIRMAN. It was given out; came through the consul on the order and given out through the State Department and published by the Associated Press and in the papers.

Dr. INMAN. I have been out of the country for some few months after I went to Mexico, so there were a good many things that I did not read.

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The CHAIRMAN. Then when you were writing your letters and seeking to influence the United States through your boards, and so forth, against armed intervention, conducting your propaganda which you were called upon to conduct, your riot calls, you had reference to such propaganda as you have mentioned and such articles as this McNutt article in Collier's Weekly, and similar statements with reference to Mexico and the conditions in Mexico, did you?

Dr. INMAN. Of course, I have no reference to that, because I had not seen it until you showed it to me.

The CHAIRMAN. Well, you have read it now. Is that along the line of the propaganda you are talking about?

Dr. INMAN. No; it is not the direct propaganda for intervention which is carried on in many different parts of the country.

The CHAIRMAN. Have you read it all?

Dr. INMAN. No, sir; I simply read those underscored parts.

The CHAIRMAN. You are familiar with the newspaper propaganda in Mexico, are you?

Dr. INMAN. In Mexico?

The CHAIRMAN. Yes, sir.

Dr. INMAN. Well, I am familiar somewhat with the newspapers down there.

The CHAIRMAN. You are?

Dr. INMAN. Yes, sir.

The CHAIRMAN. You refer to the newspapers down there being friendly to the United States, do you not, in your testimony?

Dr. INMAN. Yes, sir.

The CHAIRMAN. Will you mention the names of those papers?

Dr. INMAN. Well, El Universal.

The CHAIRMAN. Who is the editor of El Universal, Palavicini?

Dr. INMAN. Yes, sir. And El Excelsior.

The CHAIRMAN. Since when have they been friendly to the United States and the Americans?

Dr. INMAN. I think Mr. Palavicini has always been friendly to the United States.

The CHAIRMAN. Do you know when Mr. Palavicini left the city of Mexico?

Dr. INMAN. I think some time last year.

The CHAIRMAN. Do you recall why he left the City of Mexico?

Dr. INMAN. I have heard one or two different stories about that.

The CHAIRMAN. Let us have one of them.

Dr. INMAN. Well, one of them was he was criticizing very fiercely Gen. Obregon and Gonzales, and the military element.

The CHAIRMAN. Why? What was his criticism?

Dr. INMAN. I don't remember the details, but I take it that it was simply along the line that the military was taking too much authority and the civil powers ought to displace them.

The CHAIRMAN. Yes, sir. Now, what was one of the other stories?

Dr. INMAN. The other one was that there was pro-German influence in the Mexican Government that compelled him to leave the country.

The CHAIRMAN. The story was that El Universal was pro-Ally and pro-American?

Dr. INMAN. Yes, sir.

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The CHAIRMAN. And that the other papers in Mexico were pro-German and anti-American, and that Palavicini was compelled to leave Mexico himself?

Dr. INMAN. Well, some of them were pro-German.

The CHAIRMAN. I am asking you about the story. You said there were two or three stories about Palavicini leaving Mexico. I asked you since when have these other papers become pro-American?

Dr. INMAN. I think it is largely since the war.

The CHAIRMAN. Exactly. Since the armistice in November is it not?

Dr. INMAN. I think I stated that yesterday.

The CHAIRMAN. I did not recall that you did, because it made an impression on me and I intended to ask you the question this morning, and for that reason I am asking it now.

Senator BRANDEGEE. Did you regard these criticisms contained in El Universale on the army as being justified?

Dr. INMAN. I never saw those criticisms.

Senator BRANDEGEE. Do you regard the article by Mr. McNutt, in Collier's Weekly, which has been referred to here, as presenting a fair picture of conditions in Mexico?

Dr. INMAN. No, sir.

Senator BRANDEGEE. You think the disorder represented in the article is exaggerated?

Dr. INMAN. I think so.

Senator BRANDEGEE. You think it is a false picture, generally speaking?

Dr. INMAN. I think it misrepresents conditions.

Senator BRANDEGEE. Then it is false, of course. It is an untrue picture of conditions in your opinion?

Dr. INMAN. In my opinion, yes, sir.

The CHAIRMAN. Do you know of Mueller brothers in the City of Mexico?

Dr. INMAN. Yes, sir; only by reputation as to their business.

The CHAIRMAN. What is that business?

Dr. INMAN. As I remember, they advertise safes.

The CHAIRMAN. Do you know whether they published a paper in Spanish during the war?

Dr. INMAN. No, sir, I do not.

The CHAIRMAN. You do not?

Dr. INMAN. No, sir.

The CHAIRMAN. You do not know that there were two papers published in Spanish during the war and scattered all over Mexico, sent out to the retail merchants, to be given out to their purchasers, free? You did not know anything about that?

Dr. INMAN. No, sir.

The CHAIRMAN. You do know that these papers were pro-German and published by the Germans in the Spanish language and sent out throughout the outlying districts of Mexico——

Dr. INMAN. I do not know about those two particularly. I think one is called Sinalambrica.

The CHAIRMAN. Well, what about that?

Dr. INMAN. It was extremely pro-German, and it was published by the Germans, as I understood it, to effect sentiment in Mexico.

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The CHAIRMAN. How was that circulated, Doctor?

Dr. INMAN. I saw copies in Mexico City, and I think at other cities, too. I guess it was pretty generally circulated.

The CHAIRMAN. Now, as a matter of fact, with reference to the criticisms against Gonzales and Obregon, that you referred to a moment ago, those criticisms appeared in the Heraldo, rather than in the El Universal, did they not?

Dr. INMAN. Do you mean recently? I was referring to——

The CHAIRMAN (interrupting). At any time.

Dr. INMAN (continuing). I was referring to the time when Palavicini left the city——

The CHAIRMAN (interrupting). Why was it that Palavicini had criticized Gonzales and Obregon and the military?

Dr. INMAN. I suppose it was because he thought that it was time for Mexico to go into a civil form of government instead of the military. It was just like the papers are criticizing the military all the time. It seems to me that that is one of the best signs of at least a promise of a democratic form of government, because the papers are allowed to criticize the military in that way. In the old days they were not allowed to criticize. This article by Palavicini would not have been allowed in the time of Diaz or, say, in the A, B, C days, and it most notoriously opposed Carranza all the time, and yet it was not suppressed, and at the same time it is one of the things that show that the Carranza government has a real endeaver to have a free press.

The CHAIRMAN. I read you the constitution of Mexico yesterday with reference to a free press, did I not, the part with reference to such propaganda as this down there——

Dr. INMAN. Well——

The CHAIRMAN (interrupting). Do you call that free press?

Dr. INMAN. Whether theoretically it is or not, practically it is, because our church papers files certainly will show that they have been going after the authorities hot and heavy.

The CHAIRMAN. This is, in your judgment, a constitutional protection of a free press? I will read article 130:

> No periodical publication which either by reason of its program, its title, or merely by its general tendencies, is of a religious character shall comment upon any political affairs of the nation or publish any information regarding the acts of the authorities of the country or of private individuals in so far as the latter have to do with public affairs.

That is the constitutional protection for free-press guaranties, according to your judgment?

Dr. INMAN. No, sir; I do not approve of them, and I do not think that the principal people of Mexico do either, therefore it has never been enacted into a statute at all, and President Carranza, as the executive in Mexico, has suggested changes in the constitution which will do away with all of those various piccolos against the church.

The CHAIRMAN. You know that of your own knowledge, do you?

Dr. INMAN. Yes, sir.

The CHAIRMAN. Have you ever had any conversation with Carranza on that subject?

Dr. INMAN. Yes, sir; I have had quite a conversation with Carranza on that subject.

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The CHAIRMAN. What was the trend of that conversation?

Dr. INMAN. Well, the trend of the conversation was that the Mexican Government was glad to have missionary work in Mexico, American missionaries, and those constitutional provisions were not intended at all to limit our work, and that as soon as it seemed to be the proper time, he, himself, expected to make suggestions to the National Congress for their change, and in the meantime we should go right ahead with our work.

The CHAIRMAN. Exactly as you are?

Dr. INMAN. Exactly as we are.

The CHAIRMAN. Now, what are the Catholics doing there? Are they going ahead with their work?

Dr. INMAN. Yes, sir.

The CHAIRMAN. In the same way?

Dr. INMAN. Yes, sir.

The CHAIRMAN. And with the same freedom?

Dr. INMAN. Yes.

The CHAIRMAN. You know that of your own knowledge, do you?

Dr. INMAN. Yes, sir.

The CHAIRMAN. And no special inducements were ever offered to you at all there——

Dr. INMAN (interrupting). No. sir.

The CHAIRMAN. And it is simply through gratitude for that that you are now carrying out the pro-Carranza propaganda——

Dr. INMAN. No, sir.

The CHAIRMAN. Well, why are you?

Dr. INMAN. Simply because I believe that the American people ought to know the conditions in Mexico.

The CHAIRMAN. And you are giving them to the American people, are you?

Dr. INMAN. Yes, sir; as I see them; and I think it is my duty as one American to do my part in letting the people know the conditions as I see them.

The CHAIRMAN. And you are doing that conscientiously, of course?

Dr. INMAN. I certainly am, of course.

The CHAIRMAN. But you do not tell the American people about it being necessary for armed troops to be in front of the trains going to Mexico?

Dr. INMAN. I did.

The CHAIRMAN. But you have not done it in your book.

Dr. INMAN. I grant that; that I have not in the book.

The CHAIRMAN. And you do not say——

Dr. INMAN. I do not say that in my book; no, sir.

The CHAIRMAN. Well, if you did not in your book, where did you tell them?

Dr. INMAN. I told them in public addresses.

The CHAIRMAN. In more than one public address?

Dr. INMAN. Yes, sir.

The CHAIRMAN. Well, where; what place?

Dr. INMAN. It is one of the principal parts of my regular addresses on Mexico.

The CHAIRMAN. Have you a copy of that address?

Dr. INMAN. No, sir.

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The CHAIRMAN. Have you written that public address on Mexico out——

Dr. INMAN (interrupting). I do not recall that I have. I might find it in some of my public statements—that statement.

The CHAIRMAN. With reference to this article 130, of the constitution of Mexico, I note that there is no trial by jury to be granted "for infraction of any of the preceding provisions." Did Mr. Carranza tell you that that was revised?

Dr. INMAN. No reference was made to that particular part of it.

Senator BRANDEGEE. When Carranza told you that it was not the intention of article 130 to interfere with your work, did he say what the intention of the article was?

Dr. INMAN. Why, as I said yesterday, my understanding of that, in a general way, was that personally he was not in favor of that article.

Senator BRANDEGEE. You say that it was not the intention of that article to interfere with your work. What was the intention of that article? Whose intention did that article represent?

Dr. INMAN. The Government; his, as representing the Government.

Senator BRANDEGEE. The Government is not superior to the constitution, is it?

Dr. INMAN. It is until the constitutionary principles are enacted into statutes.

Senator BRANDEGEE. The executive is not superior to the constitution, whether the statute has been passed or not; whose intention did you understand Carranza to be expressing when he said that the intention of that article was not to interfere with your work?

Dr. INMAN. The Government's.

Senator BRANDEGEE. Do you mean Carranza?

Dr. INMAN. Carranza, and naturally his cabinet and those——

Senator BRANDEGEE (interrupting). He did not contend or claim that the clear intent of the article was any different from what it states, did he?

Dr. INMAN. He did not go into that matter. He said simply that I need not fear; that they did not expect for us to change our policies at all; that they recognized the constitution of the American protestant missionary forces, and advised us to go right ahead.

Senator BRANDEGEE. That means, in spite of the clear prohibition of the constitution of Mexico against what you were doing, he advised you to go ahead and do it?

Dr. INMAN. At the time, of course——

Senator BRANDEGEE. That is the time I am speaking of.

Dr. INMAN. The constitution had not been passed——

Senator BRANDEGEE (interrupting). I say, that in spite of these articles of the constitution prohibiting you and your papers from commenting on the acts of the Government and criticizing them, he told you to go ahead without interference from him——

Dr. INMAN (interposing). I do not remember that Carranza referred to that article particularly, but simply said all of those articles in the constitution which seemed to prohibit our going ahead with our work.

Senator BRANDEGEE. In other words, because Carranza intended at some future time or other to have the constitution changed, he told

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you to go ahead and you would not be interfered with in your work, did he?

Dr. INMAN. Yes, sir.

Senator BRANDEGEE. No matter what articles there were in the constitution?

Dr. INMAN. Yes.

Senator BRANDEGEE. That is all.

The CHAIRMAN. Doctor, another provision of the constitution that I presume Mr. Carranza referred to was article 3, was it not?

Dr. INMAN. Yes, sir.

The CHAIRMAN. Do you remember what article 3 is?

Dr. INMAN. It is referring to the property——

The CHAIRMAN (reading):

No religious corporation nor a minister of any religious creed shall establish or direct schools of primary instruction.

That was one of the articles that you had talked with him about that he claimed was not to be put in effect against you. What did he propose to do with that article of the constitution, do you know?

Dr. INMAN. No; I do not know.

The CHAIRMAN. I suppose that the further provision of article 130 that—

No minister of any religious creed may inherit, either on his own behalf or by means of a trustee or otherwise, any real property occupied by any association of religious propaganda or religious or charitable purposes. Ministers of religious creeds are incapable legally of inheriting by will from ministers of the same religious creed or from any private individual to whom they are not related by blood within the fourth degree.

Was that also to be suspended?

Dr. INMAN. Well, he simply made a general reference to the constitution——

The CHAIRMAN. You understood that—who were these conversations with, aside from Carranza himself?

Dr. INMAN. Well, I had a conversation with, I think, the chargé here at Washington.

The CHAIRMAN. Bonillas is the chargé.

Dr. INMAN. And he expressed the same opinion—that this was a matter of administration, and I told how that thing was brought about.

The CHAIRMAN. Yes; I know what you say here. On page 8 of your book you say:

During President Diaz's administration some American missionaries began worrying for fear they were disobeying the reform laws by holding meetings in private homes. They went to the President about it. He asked if they had been molested. They replied in the negative. "Very well, then," he said, "go ahead with your work." If they insisted on a ruling, the strict interpretation of the law would be against them. But why worry as long as the authorities did not molest them?

That incident that you refer to there occurred, did it?

Dr. INMAN. Yes, sir.

The CHAIRMAN. Now, do you happen to know that we had a treaty with Mexico by which the rights of Protestants to hold meetings in private houses were guaranteed?

Dr. INMAN. No.

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The CHAIRMAN. Well, I can assure you that Don Porfirio knew it. You follow that with this statement:

In the same way when the constitution of 1917 was adopted, with still more strenuous laws controlling religious activities, Carranza officials explained to American missionaries that they should do their work as before. "Es cuestion de administracion" was the explanation, which meant that the provision was there to be invoked at any time when a religious organization began to meddle with political affairs.

Now, that is the true explanation of what you have been attempting to explain here, is it not? That is the assurance that you had from Carranza?

Dr. INMAN. That was with the chargé here, as I remember it.

The CHAIRMAN. What did Carranza tell you?

Dr. INMAN. That we must go right ahead with our work and not make any changes whatever and that we need not be alarmed or plan to withdraw our missionaries, or anything of the kind.

Senator BRANDEGEE. Who was with you at the time when you had this talk with Carranza?

Dr. INMAN. Bishop McConnell, of the Methodist Church; here in Washington I do not know who was with me; probably I was by myself.

The CHAIRMAN. But if Mr. Carranza were to die and some one else would be elected President you do not know whether this provision of the constitution would be invoked against you or not?

Dr. INMAN. No; except that there is already a change in that being considered by the congress.

The CHAIRMAN. A change of the constitution?

Dr. INMAN. Yes, sir.

The CHAIRMAN. Can you give us the information with reference to that change? What is the proposed change of the constitution?

Dr. INMAN. I have that information, which I think I can look up for you, Mr. Chairman.

The CHAIRMAN. Just state definitely what it is, as nearly as you can recall it, and I will tell you whether we want it or not.

Dr. INMAN. What I recall is that Gen. Carranza or President Carranza has sent to the national Congress a suggestion that certain articles in the constitution which referred to limitations placed on these organizations should be either changed or eliminated, so as to give entire freedom of worship in Mexico.

Senator BRANDEGEE. Do you understand that these constitutional provisions to which you have referred as prohibiting your activities, and of which you are now talking, and of which you have given us your idea—do you understand that they can be enforced against you in the absence of a statute?

Dr. INMAN. I do not understand so, Mr. Senator. I think there must be a statute in each case to interpret the constitution, and unless congress has passed a statute, or there is a presidential decree on the subject, then there is no way of enforcing the principles of the constitution.

Senator BRANDEGEE. Is it your idea that the President of Mexico, without a statute, by the issuance of a presidential decree, can carry out the provisions of the constitution?

Dr. INMAN. Well, he has been doing that.

Senator BRANDEGEE. What is the use of having a statute, then?

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Dr. INMAN. This, of course, is simply the transmission of the constitution adopted in 1917, and the congress down there talk a good deal when they get together, and have a little of political bouts, etc., and they make laws rather slowly.

Senator BRANDEGEE. Do you understand that Carranza takes an oath to support the constitution of Mexico?

Dr. INMAN. I think so.

Senator BRANDEGEE. And then tells you that he will not support it against you?

Dr. INMAN. Well, if that is the way you want me to interpret it——

Senator BRANDEGEE. I just wanted to get at the facts about it, to find out whether Carranza is carrying out the constitution or something to the contrary. It seems to me to be not a very stable and correct form of government, if I understand it.

Dr. INMAN. I do not think so myself. There are many things that are—in many things I do not agree with him.

Senator BRANDEGEE. But practically you are right under his thumb when it comes to conducting your operations in Mexico?

Dr. INMAN. I suppose at any time he could stop us.

Senator BRANDEGEE. Well, you wanted to find out what sort of a position you occupied there, and you had this conversation with Carranza, and you had his personal assurance that you could stay there?

Dr. INMAN. Yes, sir.

The CHAIRMAN. All right, Doctor. I am very much obliged to you, sir.

Dr. INMAN. Well, sir, I am very much obliged to you gentlemen. May I take about five minutes or so of your time?

I have a map which I would like for you to see as illustrative of what we are trying to do down there.

The CHAIRMAN. We would be very glad to see it. However, we can not get the map in this record, so we can only look at it for the information of this committee.

Dr. INMAN. Yes. This colored map represents the division of responsibilities by the different mission boards that are now at work in Mexico. About five years ago we began to study in a more scientific way the distribution of work and how we could improve it. Therefore, at that time, for example, here in Tampico, about three large Protestant schools for girls——

The CHAIRMAN. When were they established? Just give their establishment, the dates of their establishment.

Dr. INMAN. One of them was established about 30 years ago and another one about 25 years ago, and all of them more than a quarter of a century ago.

The CHAIRMAN. They were established prior to the revolution?

Dr. INMAN. Yes, sir. We found that the States here, like Michoacan, with its city of 35,000 or 40,000, and the State of Michoacan, with 1,000,000 population, without any evangelical workers, and we found similar conditions, congestion in one part and no workers in another. The mission board came along and said that this would make a scientific distribution of their responsibilities, and change these territories, with the result now that the Presbyterian board extended their work all the way from Sonora to Yucatan, and the Methodist Church was also extending its work from the north clear

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down into the south. They said, "We will vacate this State, abandoning much of our old territory, in order to see that every part of Mexico is occupied with the missionary work." This seems to me to be a very remarkable thing in missionary history; and it has been brought about within the last year. For instance, the Southern Presbyterians had their work along here [indicating on the map].

The CHAIRMAN. "Along here" does not indicate anything in this record.

Dr. INMAN. I mean Tamaulipas—and have changed their work over into Morelos and Michoacan; and the Southern Methodist board have come out of the City of Mexico and San Luis and have occupied this block of territory, the States of Nuevo Leon, Coahuila, and two others—Lower California and Sonora and—no; Sonora, Sinaloa, Nayarit, and Jalisco, is the territory of the Congregational board. They were before in Chihuahua, but they have removed from there and concentrated their affairs entirely over there [indicating on map]. The Disciples have their part in here [indicating on map], or had it, in Coahuila, and they have given up their work there in favor of the Methodists and come down to Cacapecas, San Luis, and Aguascalientes, and the Northern Presbyterians have given up their work in all parts of Mexico City and have come down here into Vera Cruz, Oaxaca, Tabasco, Chiapas, Campeche, Quintana Roo, and Yucatan; and this has been followed, not only by a program for each one of these missionary societies, but by a united program for all of them.

Before this arrangement went into effect there were some eight missionary papers that had been published, organized by the different societies. They have all been consolidated into one large paper, and all of the printing presses have been consolidated into one press, in the City of Mexico, and on that paper is prepared now to-day a very large service for Mexico. There is a plan here to have a university in the City of Mexico—not a university in our sense, properly, but probably explained by the Hampton Institute, or something of that kind—which shall train the young people for service in the industries and train them for teachers to go out into the rural districts and educate the young people to work with their hands. There is also planned a large hospital in the City of Mexico, and hospitals to be distributed in other cities. Another part of the plan includes the organizing of eight agricultural schools, one by each one of these missionary boards. We hope to be able to help immediately and quickly with the solution of the land problem.

The CHAIRMAN. Where are those schools?

Dr. INMAN. One is to be—no; one is already established in Tamaulipas and one to be in Chihuahua, and one in San Luis; one in Aguascalientes, one in Michoacan, and another in Yucatan——

The CHAIRMAN (interrupting). Are there any agricultural schools now in Mexico?

Dr. INMAN. Yes, sir; there is one carried on by the Government.

The CHAIRMAN. Where?

Dr. INMAN. In the City of Mexico.

The CHAIRMAN. Is that the only one?

Dr. INMAN. That is the only one I know of, except, of course, the mission work, like the Friends, have a couple of farms here.

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The CHAIRMAN. I mean public agricultural schools or colleges, governmental or city or municipal.

Dr. INMAN. I only know of that one near the City of Mexico.

The CHAIRMAN. I thought there were two in the State of Chihuahua?

Dr. INMAN. We will have these agricultural schools in which each one of the centers, and in each one of the centers we plan for some kind of a trade school and a social center where the people of Mexico will be able to learn trades and at the same time be able to have a place to come together and to discuss their civic and social and political problems, carrying out the thing there that has done so much for our democracy here, where we have been able to come together in the old town hall meetings and discuss things. There are no places for such discussion in Mexico, and the mission boards are interested in that kind of service in those communities, and then of course we have our directly evangelistic work with these various churches in all parts of Mexico. The program of cooperation as outlined in the map shows a university in the City of Mexico, a hospital in the City of Mexico, and these agricultural schools in as many different centers of the Republic, a school of mechanical arts in each industrial center, normal schools in such districts as do not yet possess them, and the strengthening of those already existing, and the development of the Union Theological Seminary already existing in Mexico City, and it shows how far has been the contribution to the evangelical instituions in Mexico, and we have trained large numbers of young men and women—a large number of young women and some young men—to go into the Government education schools, and we have been received not only gladly, but we have been told that they would take just as many of those teachers as we could spare. That is one of the checks to the education of Mexico, trained teachers. There will be the development of the Union Theological Seminary already existing in Mexico City. Two years ago we began the Union Theological Seminary at the City of Mexico, and the first five students who applied were members of five different denominations.

The CHAIRMAN. What were they?

Dr. INMAN. Congregationalist and Methodist, north and south, and the Friends, and a Presbyterian.

The CHAIRMAN. And do you cooperate with the Catholic Church?

Dr. INMAN. Not in any direct organization, at these times which I have been speaking of. We gladly cooperate, or would gladly cooperate with them in such movements as temperance or civic organizations caring for the distressed, or anything of that kind. But I may say, Mr. Chairman, that our object in this program is, we trust, not simply to convert Mexican people to our own doctrine——

The CHAIRMAN (interrupting). You say "convert them." How do you mean "convert them"?

Dr. INMAN. I mean to bring them into the church.

The CHAIRMAN. Do you mean to change them from one religion to another?

Dr. INMAN. Yes, sir.

The CHAIRMAN. What religion have they now, those whom you have been converting?

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Dr. INMAN. There are a good many of them who have not any religion at all; but the people there are Catholics.

The CHAIRMAN. A large majority of the people there are Catholics?

Dr. INMAN. Yes, sir. We are laying the movement, as you will see, on the plan of service in our program and while of course we have our religious convictions, and we intend to stand by those, yet we are down there simply for the purpose of changing theological beliefs.

The CHAIRMAN. Proselyting you mean?

Dr. INMAN. Yes; and we are making every endeavor to lay the program on the ground of service, then there comes a community center or institutional church in each important center in the Republic, a union publishing house, union paper and bookstore, in the City of Mexico, and in addition to all this we have recently been establishing a campaign to popularize medical knowledge. We expect to to get some of the Mexican physicians and some up from this country, and by using the moving-picture machines and slides and literature and everything of that kind, to go into the different sections and into different factories and into the various different places and place before them a campaign of hygiene which is so much needed there.

The CHAIRMAN. Do you go out into the rural districts with your work, or do you confine your institutions, whether religious or educational, to the towns?

Dr. INMAN. No; we go into the rural districts also. Then the final thing on here is a definite division of territorial responsibility so as to avoid overlapping or duplication of effort. While that may seem a very small program in attacking such a tremendous problem, yet we believe if that program which, of course, calls for the investment of several millions of dollars, if carried out, it will in a very few years largely affect the Mexican problem.

Senator BRANDEGEE. You spoke of schools and having a program as tending to the solution of the land problem. What is the land problem?

Dr. INMAN. I think that the land problem is largely the breaking up of a great landed estate which has been owned by a few people and putting the common people on the land and giving them certain tracts of land themselves to work, and therefore encourage them to work——

Senator BRANDEGEE (interrupting). How do your agricultural schools tend to a solution of the land problem?

Dr. INMAN. Well, in this way, Senator. I think that the great difficulty in Mexico is not the difficulty of land, but it is the difficulty of knowing how to cultivate that land, and if you please in teaching the people to cultivate the land and to inculcate in them the spirit of work as well as the knowledge as to how to best bring out the results from the soil.

Senator BRANDEGEE. Suppose all the people of Mexico were completely educated as tillers of the soil, just as completely educated as it is possible to educate them; how would that contribute to the solution of the land problem, the breaking up of the large ownerships and the distribution among the poorer people who have no land at the present time?

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Dr. INMAN. That, of course, of itself would not, but when the people know how to till the land, they will be more capable of taking care of the land——

Senator BRANDEGEE. But I in my question have assumed that they are capable of taking care of the land, that they have received their education and you have finished educating them, that the breaking up of the large estates, whether by confiscation or purchase as a Government policy——

Dr. INMAN (interrupting). Yes.

Senator BRANDEGEE. No amount of education along this line, knowing how to plant crops and to harvest them, would help the Government to solve the problem——

Dr. INMAN (interrupting). Excepting that the Government would probably feel that it should work with the people also—simply giving a man a piece of land who does not know how to cultivate it——

Senator BRANDEGEE (interrupting). But don't you think that the people who have lived there all their lives know how to cultivate their own land?

Dr. INMAN. A great majority of them are still plowing with a forked stick, like they used to do centuries ago.

Senator BRANDEGEE. Yes; but they know that there are such things as other kinds of plows.

Dr. INMAN. In many sections they have never seen any other kind of plow.

The CHAIRMAN. What districts have you reference to now?

Dr. INMAN. Well, in the mountains of Zacatecas, for instance.

The CHAIRMAN. How much tillable land is there in the entire district of Zacatecus, Doctor?

Dr. INMAN. Well, there is a good deal of it, the way they till it there on the mountain side. They till their lands there which in other places could not be tilled.

The CHAIRMAN. Are you testifying of your own knowledge or to something that you have heard or read?

Dr. INMAN. I am testifying from general knowledge.

The CHAIRMAN. General knowledge with reference to the State of Zacatecas? Are you testifying from your own knowledge?

Dr. INMAN. That is my general impression of Zacatecas.

The CHAIRMAN. Well, I lived in Zacatecas 35 years ago, and I want to know what you know about it; have you ever been very far away from the railroad in Zacatecas?

Dr. INMAN. I must admit that I do not know anything about it, if that helps you.

Senator BRANDEGEE. What is the form of that religion "Disciples" that you refer to?

Dr. INMAN. The Christian Church—the Disciples of Christ.

Senator BRANDEGEE. Christian Science?

Dr. INMAN. No, sir.

Senator BRANDEGEE. Well, in this program that you have outlined and exhibited by the map, is there a concentrated central authority of all these denominations which proposes to govern the enterprise and raise the funds for the erection of these buildings and pay the expense of these teachers and the conducting of the enterprise after it shall have been established?

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Dr. INMAN. Well, the responsibility is in the various different boards and in the committee on cooperation. They simply devise all the ways of carrying it out.

Senator BRANDEGEE. Who was to own and have the title to all of this property that you have indicated?

Dr. INMAN. Well, when it is a mission board that does it, out in the field, they own it, but when it is a union, it will be in the hands of a board of trustees appointed to take charge of the various institutions.

Senator BRANDEGEE. I do not think that you quite understand me. Is there any central body which has authority to carry out these projects after the different denominations have agreed upon the kind and the measure of their responsibility, measure of their participation, or is the title to be held by the different denominational bodies by trustees appointed by them?

Dr. INMAN. Yes, sir. Of course the property will be held, when a particular denomination furnishes the money, held as their property, and it will be held by that board, just as it is at the present time.

Senator BRANDEGEE. What provision is made to guarantee unity of action, what system of cooperation, and how is the guaranty to operate uniformly——

Dr. INMAN (interrupting). There were conferences, the first one held in the City of Mexico in February, and a conference in Cincinnati five years ago in which the board themselves appointed representatives——

Senator BRANDEGEE. Is the scheme on paper now so that anyone can get an intelligent idea of what it is?

Dr. INMAN. Yes, sir; I have——

Senator BRANDEGEE. Have you a draft of it?

Dr. INMAN. I have a pamphlet which I put in here in this envelope [indicating].

Senator BRANDEGEE. You might file it with the committee if you have an extra one.

Dr. INMAN. Yes, sir; here it is [handing same to the Chairman].

Senator BRANDEGEE. I do not mean that it is to be printed in the record, you know, but we would like to look it over.

The CHAIRMAN. All of these documents that you have in your envelope you are leaving with the committee?

Dr. INMAN. Yes, sir.

Senator BRANDEGEE. Then I will not separate it from the others.

Dr. INMAN. You said I should not leave the map?

The CHAIRMAN. Yes; you can leave it, but we cannot reproduce it in the record.

Dr. INMAN. I understand.

The CHAIRMAN. Doctor, I presume you have some person associated with you who is more familiar with the land problem than you are?

Dr. INMAN. We are asking an expert on agriculture to go down there at the present time, a man who has been at the head of an agricultural school in Brazil for many years. One of the missionaries in Brazil has just wired him to buy several hundred or several thousand head of cattle, and he has been directing a good deal of the conservation of their forces.

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The CHAIRMAN. Have you ever in your investigations in Latin America had your attention called to where agriculture originated on this hemisphere? Would not that be rather an interesting subject for you?

Dr. INMAN. I think it would be very interesting.

The CHAIRMAN. Have you any idea how far back you can accurately date agriculture on this hemisphere?

Dr. INMAN. It is pretty far back.

The CHAIRMAN. Have you any idea to what time?

Dr. INMAN. The authorities that I have read so much differ on that question that I would not state it.

The CHAIRMAN. Do you know anything about the date of the Inca civilization in Peru, about what time it is supposed to have antedated the coming of the Spaniards?

Dr. INMAN. Some authorities claim—of course, the Inca himself is rather modern. I can not recall just for a minute the civilization which preceded theirs. It was certainly as much as 1,000 or maybe 2,000 years before the coming of the Spaniards.

Senator BRANDEGEE. What authorities have you read onthat subject, Doctor?

Dr. INMAN. I read an article that makes large claims for the early beginnings of that in Norte Americana.

The CHAIRMAN. Who was the author of that article?

Dr. INMAN. Sir Edward Markham is probably the best authority on that whole question. He lived for 40 years in Peru and gave his whole life to the investigation. Of course, Prof. Hiram Bingham, of Yale University, has recently made some studies down there.

The CHAIRMAN. Do you know how far back the archealogists or the scientists would date the history of agriculture, any of the periods of the history of agriculture on this hemisphere and particularly on the northern continent?

Dr. INMAN. I do not know how far back the authorities would claim that that could be dated—not by centuries, but I should say 1,000 years, anyway.

The CHAIRMAN. You will find a bulletin of the Smithsonian Department which will trace it back on this continent to 100 years before Christ by accurate periods.

Dr. INMAN. You can find a good many authorities who disagree with that. Of course, there are such schools that always like to put this civilization away back, and they do. They have what they think is good authority.

The CHAIRMAN. What I was leading up to is what you know about agriculture. You are talking about teaching these people in Mexico agriculture.

Dr. INMAN. I do not know anything about agriculture.

The CHAIRMAN. Understand me, I am not only not disapproving, but I do not intend to disapprove any of your plans that you have outlined to teach modern agriculture, but you seem to proceed on the theory that those people in Mexico know nothing about agriculture.

Dr. INMAN. They do not know anything about the modern use of implements, for example. A large majority of them do not.

The CHAIRMAN. You make ageneral statement, now, Doctor. Have you ever been in the outlying agricultural districts in the State of Chihuahua or the State of Sonora?

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Dr. INMAN. No, sir; I have not been over there.

The CHAIRMAN. I would not make that statement again, if I were in your place, without going there.

Dr. INMAN. I said a great majority of them, Senator——

The CHAIRMAN. I know you said a great majority. I am asking you about two States in the northern part of the Republic with which I happen to be familiar and have been for a great many years.

Dr. INMAN. In those two States are the majority of people familiar with modern agricultural implements and the analyses of soils?

The CHAIRMAN. I went into the heart of the Sierra Madre Mountains in 1889, where a two-wheeled vehicle had never gone, and I saw sulky riding plows around Temosachic, Nuerichic, San Buena Ventura del Valle, Las Cruces, and other places extending from Casas Grandes down into the heart of the Sierra Madres and back into the State of Chihuahua, and there is scarcely a little Mexican farm there that did not have an up-to-date American plow and instruments of agriculture.

Let me point out to you now that those same people were yet using on certain lands exactly the same methods that we are told by archeologists and others were in use 2,000 years ago. In other words, they treat their different lands differently. I can say to you that upon examination you will find, if you will send your agricultural expert there, that they know now and apply the methods of dry farming more successfully than we have developed it almost anywhere in the United States.

Dr. INMAN. You would not certainly say that was true of the majority of the Mexican people who work on the farms, would you?

The CHAIRMAN. That is a question. You use those broad terms—"the majority of people." Do you know anything about the Fuerte River on the western coast?

Dr. INMAN. Something about it.

The CHAIRMAN. You have never been there?

Dr. INMAN. No, sir.

The CHAIRMAN. Then you do not know anything from personal knowledge about it; you do not know what methods of cultivation they use?

Dr. INMAN. No, sir.

Senator BRANDEGEE. You have not any means and could not have any means to know the majority from the minority.

Dr. INMAN. Of course, in this investigation, before we go into the establishing of these schools, we will have those things.

Senator BRANDEGEE. I am not talking about what you may find out; but you say the majority of people do not know anything about modern methods of farming. You do not come in contact with the majority of people out in the Mexican districts.

Dr. INMAN. Do you not think that you can testify about what the majority of people in the United States are doing as to their farming?

Senator BRANDEGEE. No; I do not. I do not pretend to be in close touch with them. I would not assume to say what the majority of people think about anything. At every presidential election each party thinks the majority of the voters are going to be with it. They are always mistaken. I always think that a man like that has not lived long enough to know what makes a majority. I think

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he is talking "through his hat" when he makes that sort of a statement.

Dr. INMAN. All right, sir.

The CHAIRMAN. Doctor, the purpose of the questioning of Senator Brandegee is not simply to criticize you, but to call attention to the fact that when broad statements, such as those that you have made, go out to the public, generally, in the United States they create pretty erroneous impressions—not intentionally, of course. You sincerely make a broad statement as to what the majority of the people may do and what you are doing for them, and you make as broad a statement with reference to agriculture, for instance.

Dr. INMAN. Mr. Chairman, you take the book, Forjando Patria—the author of that is certainly an authority.

The CHAIRMAN. Doctor, I will take other books and other records and show you that every bean cultivated in the United States of America, now, from the Arctic regions to the South, originated in what we call Central America, and the same with corn, tobacco, and potatoes.

Dr. INMAN. I have full knowledge of that, of course.

The CHAIRMAN. Oh, you have?

Dr. INMAN. Yes.

The CHAIRMAN. Do you know Dr. George W. Scott?

Dr. INMAN. Yes, sir.

The CHAIRMAN. Do you know what work Dr. Scott is engaged in?

Dr. INMAN. He is one of the secretaries or assistant secretary of the Presbyterian Board.

The CHAIRMAN. Do you know what particular work, if anything, he is doing now, with reference to Mexico?

Dr. INMAN. No, sir.

The CHAIRMAN. Do you know who are associated with him in his work?

Dr. INMAN. No, sir.

The CHAIRMAN. You know nothing about his work?

Dr. INMAN. I know Mr. Scott now is in the Orient. I do not know of any relationship he has with Mexican work.

The CHAIRMAN. Do you know anything about work that is being carried on by any group of Americans, any research work with reference to Mexico, the agricultural conditions and educational conditions and all the conditions in Mexico, even water-power development and work of that kind, or of a philanthropic nature that is being done in Mexico?

Dr. INMAN. No, sir.

The CHAIRMAN. You do not know anything about the connection, for instance, of Mr. Newell with such research work and reports on Mexico?

Dr. INMAN. No, sir.

The CHAIRMAN. You state in your book that a capitalist appropriated $100,000 for assisting a group of university professors to investigate educational matters. Do you know anything about that work?

Dr. INMAN. That investigation that was made by Mr. Doheny's Foundation?

The CHAIRMAN. Mr. Edward Doheny, who is here present.

Dr. INMAN. I do not know Mr. Doheny.

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The CHAIRMAN. That is the gentleman sitting by Mr. Walker. You know Mr. Walker [indicating]?

Dr. INMAN. Yes, sir. I made reference to Mr. Doheny's Foundation in the latter part of my book.

The CHAIRMAN. Do you know anything about the work of that Foundation, the lines along which it is being done?

Dr. INMAN. Except that I have talked with Prof. Cox, and he has told me about his reports on educational work. It was along those same lines that Prof. Cox suggested that we are working on.

The CHAIRMAN. Then there is some layman who suggested certain ideas that you thought were good and which you are working along?

Dr. INMAN. I do not think it was originated in that way at all.

The CHAIRMAN. You said that they were suggested to you by Dr. Cox and you know from him about the educational work which the Doheny Foundation was doing?

Dr. INMAN. Yes, sir.

The CHAIRMAN. Mr. Doheny is head of the Mexican Petroleum Co. and large oil interests in Mexico, is he not?

Dr. INMAN. Yes, sir.

The CHAIRMAN. You know that?

Dr. INMAN. Yes, sir.

The CHAIRMAN. Prof. Cox was being financed by the Doheny Foundation?

Dr. INMAN. Yes, sir.

The CHAIRMAN. You have adopted certain suggestions and have been working along those lines?

Dr. INMAN. I would not say that we had adopted those suggestions particularly.

The CHAIRMAN. You have not rejected them, have you?

Dr. INMAN. They coincide, I think, with different investigations that have been made down there, as I pounted out, in connection with the practical way of working with the hands.

The CHAIRMAN. Speaking about land problems in Mexico, do you know the great elevated plateau, averaging 6,000 to 8,000 feet in elevation, running all the way, broadly speaking, from El Paso, Tex., south through the State of Zacatecas, and traversed throughout its entire length by the Mexican Central Road?

Dr. INMAN. I have gone along there.

The CHAIRMAN. Do you know anything about agriculture along that route?

Dr. INMAN. Not personally; no, sir.

The CHAIRMAN. It is something like 800 miles or 1,000 miles in distance?

Dr. INMAN. I expect so.

The CHAIRMAN. With very much agriculture in sight?

Dr. INMAN. Not very much.

The CHAIRMAN. What do you think of dividing those lands into small lots and turning them over to the graduates of your agricultural school?

Dr. INMAN. I should not think it would work very well, unless they could put in dry farming or something of that kind.

The CHAIRMAN. Doctor, what were you doing in 1915, about the time that Mr. Carranza was recognized by this Government? Where were you?

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Dr. INMAN. In 1915?

The CHAIRMAN. Yes.

Dr. INMAN. I had just come out of Mexico and established my residence in New York. I was then organizing the Panama Congress.

The CHAIRMAN. Were you favorable to the recognition of Carranza by this Government?

Dr. INMAN. Yes.

The CHAIRMAN. Do you know any other ministers or missionaries who were also favoring his recognition at that time?

Dr. INMAN. I do not recall individuals. I think there were a number of them that were in favor of it.

The CHAIRMAN. Can you mention a few who took any active part in it?

Dr. INMAN. In getting his recognition?

The CHAIRMAN. Yes.

Dr. INMAN. No.

The CHAIRMAN. And in assisting him, both before and after his recognition? You can not recall any at all?

Dr. INMAN. No, sir.

The CHAIRMAN. When did you quit your mission at Saltillo or Monterey, or wherever your headquarters were?

Dr. INMAN. In January, 1914, I left Mexico for a trip to South America. Then I came back in the fall and was there only a few weeks and then moved to New York.

The CHAIRMAN. Do you know Dr. David Starr Jordan?

Dr. INMAN. No, sir. Of course, I know of him, but I do not know him personally.

The CHAIRMAN. You do not know anything of his activities along the Mexican border?

Dr. INMAN. No, sir.

The CHAIRMAN. Or in Mexico?

Dr. INMAN. No, sir.

The CHAIRMAN. Rev. Henry Allen Tupper?

Dr. INMAN. No, sir.

The CHAIRMAN. You do not know him at all?

Dr. INMAN. I know of him, just as a public man, but I have never met him or had any connection with him.

The CHAIRMAN. You knew nothing of his activities in Mexico?

Dr. INMAN. I read some of his articles, one in the Outlook, I remember.

The CHAIRMAN. He was favoring the recognition of Carranza and the Carranza government, was he?

Dr. INMAN. That article that I remember did not discuss the Carranza recognition.

The CHAIRMAN. What Dr. Jordan or Rev. Mr. Rice, at El Paso, or any other ministers did with reference to Carranza and his recognition, favoring the Carranza government, both before and after his recognition, you paid no attention to?

Dr. INMAN. Nothing more than simply a matter of interest. I did not have any connection with it.

The CHAIRMAN. You were interested in Mexico at that time, were you not?

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Dr. INMAN. Yes, sir; I say, as a matter of general interest, but I had no connection with it.

The CHAIRMAN. Do you know of any missionaries or ministers who have received any money from Carranza, either before his recognition or since?

Dr. INMAN. No, sir; I do not.

The CHAIRMAN. None at all?

Dr. INMAN. None at all.

The CHAIRMAN. For propaganda work or otherwise?

Dr. INMAN. In any way.

The CHAIRMAN. You know of none?

Dr. INMAN. I know of none.

The CHAIRMAN. Do you know where Mr. Tupper is now?

Dr. INMAN. No, sir; I do not.

The CHAIRMAN. Do you know anything about any publicity fund for propaganda work now being carried on aside from that which you engaged in in favor of Carranza in this country?

Dr. INMAN. I do not.

The CHAIRMAN. Doctor, you are familiar with Mexico and you speak Spanish. I notice among the propaganda sent out by your committee or by the League of Free Nations advance proofs from the "Oil, Paint, and Drug Reporter, New York, August 11, 1919," an article headed "The Official Mexican Side of the Petroleum Controversy," written for the Oil, Paint, and Drug Reporter by command of President Carranza by Joaquin Santaella, chief of the petroleum technical commission of Mexico, "following our request to the Mexican president for an official statement of his position in the existing petroleum dispute." Have you read that article?

Dr. INMAN. I have glanced over it.

The CHAIRMAN. With your knowledge of Mexico from 1905 down to the present time, do you think it correctly represents the Mexican situation with reference to petroleum, the laws, and so forth?

Dr. INMAN. Mr. Chairman, I have not read it carefully. I really do not know.

The CHAIRMAN. Do you allow things of that kind to be sent out by any committee with which you are connected without having read them and knowing what they are?

Dr. INMAN. Yes, sir. A great many of the things.

The CHAIRMAN. Just send them out any way they come in?

Dr. INMAN. Yes. I have not known about it——

The CHAIRMAN. You have no attorney who passes upon legal questions of any kind?

Dr. INMAN. No, sir.

The CHAIRMAN. So that you would send out a statement of this kind, coming from Carranza, as part of your propaganda work, without investigating as to whether it sets forth the law or the situation as it exists?

Dr. INMAN. I take it that that would be the responsibility of the League of Free Nations Association.

The CHAIRMAN. If they are mistaken, if Mr. Santaella is not correctly setting out the Mexican law, the responsibility of sending out incorrect things of that kind is a responsibility of the League of Free Nations?

Dr. INMAN. Yes, sir.

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The CHAIRMAN. They have no attorney to whom they submit such news of that kind?

Dr. INMAN. I do not know; I do not think so. There are one or two attorneys on the committee.

The CHAIRMAN. Do you not think it is quite a responsibility for any organization to send out data or propaganda material of this character where there is a question being agitated, as you say, before the Mexican people concerning the oil interests in Mexico, unless they know that they can vouch for it that it is correct?

Dr. INMAN. I should think they ought to know something about it.

The CHAIRMAN. It is quite a responsibility, is it not?

Dr. INMAN. Yes; it is quite a responsibility.

The CHAIRMAN. Do you have any committee that passes on this propaganda at all—de Bekker's articles or any other sent out?

Dr. INMAN. No more than the people who are working in their offices there; that is all I know of.

The CHAIRMAN. No one to whom it is submitted to pass upon its correctness? Just any party at all can have material sent out by your committee, or the League of Free Nations, without its being passed upon by responsible heads?

Dr. INMAN. So far as I know, there is no check-up along that line.

The CHAIRMAN. Do you know who is paying Mr. de Bekker for his propaganda material?

Dr. INMAN. I understand he is employed now by this League of Free Nations Association.

The CHAIRMAN. Do you not suppose that an article of this kind is paid for—this that I have just called your attention to—which claims to be an exposition of the old Spanish law and of the law of Mexico from, I think, the earliest date they have mentioned here, 1793, down to the present time with reference to oil? Do you know whether that is paid for?

Dr. INMAN. I would naturally suppose that the paper pays for whatever article they get.

The CHAIRMAN. It is sent out also in another form by your committee. This interview that Mr. Santaella has sent out also is a part of your propaganda, is it not?

Dr. INMAN. I think I remember seeing it.

The CHAIRMAN. Who pays for that?

Dr. INMAN. The League of Free Nations, I suppose, pay for the printing of that article.

The CHAIRMAN. Who pays for the printing of the advance sheets?

Dr. INMAN. The League of Free Nations Association.

The CHAIRMAN. They send it out without referring it to any responsible party to ascertain the truth or falsity of the statements contained in it?

Dr. INMAN. The chairman of the executive committee, of course, is in the office all the time.

The CHAIRMAN. That is, Dr. McDonald?

Dr. INMAN. Yes, sir.

The CHAIRMAN. Then, the responsibility would be his of sending it out, if the information is not correct, would it?

Dr. INMAN. I should think that the responsibility for sending those articles out lies with the office force there of the League of Free Nations Association.

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The CHAIRMAN. I will file this paper, not for printing in the record at this time.

Dr. Inman, are you leaving this afternoon?

Dr. INMAN. I hope to, Mr. Chairman.

The CHAIRMAN. I know of no reason why we should detain you at present, but if you are not here, if you should leave this afternoon I would like to know it, so that in case something else came up I might know where to find you.

(After conferring with counsel for the committee.)

We have been informed by counsel, who has been digesting your book, that there are two or three questions that we would like to ask you, concerning statements in your book; and if you will be present at 3 o'clock we will take that matter up.

(Whereupon, at 2 o'clock p. m., the subcommittee took a recess until 3 o'clock p. m.)

AFTERNOON SESSION.

The subcommittee reassembled at 3 o'clock, pursuant to the taking of recess, Senator Fall presiding.

TESTIMONY OF DR. SAMUEL GUY INMAN—Continued.

The CHAIRMAN. The secretary of the committee informs me that you have a correction you would like to make.

Dr. INMAN. A statement with reference to the correction I made this morning, that instead of the Association for the Protection of American Rights in Mexico, which I referred to in connection with the Carrancistas' propaganda, that it was the Association of Producers of Petroleum that made that statement.

The CHAIRMAN. Who are they?

Dr. INMAN. I don't know. It was simply their signature that appeared in the Times.

Senator BRANDEGEE. What is the distinction between crude and refined petroleum?

Dr. INMAN. Simply a distinction between the names of the two organizations that I referred to.

Senator BRANDEGEE. What were the names of the two organizations?

Dr. INMAN. One was the Association for the Protection of American Rights and the other was the Association of Producers of Petroleum.

The CHAIRMAN. Mr. Ed Doheny is in both these associations, is he not?

Mr. INMAN. I don't know the organizations. I suppose that he is. I have never seen the roster of the associations.

The CHAIRMAN. That is the only correction you want to make, is it?

Dr. INMAN. Yes, sir.

The CHAIRMAN. On page 14 of your book, I notice you state:

> One who will check up the number of rumors printed each week by the American press concerning dire happenings in Mexico, which a short lapse of time proves to be untrue, will be ready to question seriously what influence is directing our press.

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What is your conclusion as to what influence is directing our press? What did you mean by saying that one "will be ready to question seriously what influence is directing our press"?

Dr. INMAN. Well, the question whether it is not influences which are against the Mexican Government?

The CHAIRMAN. What influences are they? Have you reference to any particular influences that are against the present Mexican Government?

Dr. INMAN. No. I simply make the statement that one would naturally question in his own mind——

The CHAIRMAN. You do not know what influences are against the present Mexican Government; you had no particular things in mind?

Dr. INMAN. No.

Senator BRANDEGEE. To what extent are what you refer to as "dire reports" about happenings in Mexico, which you say are afterwards proved to be untrue—to what extent are they afterwards proved to be untrue?

Dr. INMAN. I think to a pretty large extent.

Senator BRANDEGEE. Are they not corrected, as a general thing?

Dr. INMAN. As a general thing, they are not corrected; but if they are, it is in small type somewhere in the newspaper.

Senator BRANDEGEE. Do you think now, as a general statement, that the American press is being influenced to give the American people a false picture of the Mexican situation?

Dr. INMAN. Well, I did not say that.

Senator BRANDEGEE. I mean, do you think so?

Dr. INMAN. I am inclined to think so; yes.

The CHAIRMAN. Doctor, any news purporting to emanate from within Mexico and to be brought out of Mexico is brought out how? If it is telegraphed out, who owns the telegraph lines?

Dr. INMAN. The Government.

The CHAIRMAN. The Carranza government?

Dr. INMAN. Yes.

The CHAIRMAN. There is a censorship, is there not, by the Carranza Government over anything coming out by the telegraph lines?

Dr. INMAN. I think so.

The CHAIRMAN. And cables, also, from Mexico?

Dr. INMAN. I think so. I am not absolutely positive about that, but that is my impression.

The CHAIRMAN. You know that all the telegraph lines are owned, or claimed to be owned, by the Government?

Dr. INMAN. Yes.

The CHAIRMAN. So that anything coming from Mexico over those lines comes over the Mexican Nacional Lines. Now, then, where does this news that you speak of generally come from? Is it from Mexico or from the border?

Dr. INMAN. Well, I speak of news in general; some of it comes from the border and some of it comes from within Mexico; some comes from Washington and some comes from New York.

The CHAIRMAN. You have reference to——

Dr. INMAN. I mean a general reading of the newspapers.

The CHAIRMAN. That the news generally with reference to Mexico is incorrect—the news of happenings within Mexico?

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Dr. INMAN. That there are a great many incorrect statements, and if one will simply take the trouble to check up he will find them.

The CHAIRMAN. What method have you of checking up? Just suppose a case, now, that from your city, where you used to be, of Monterey, comes a telegram such as you have referred to on page 14, here, of your book: "One who will check up the number of rumors printed each week by the American press concerning dire happenings in Mexico"—suppose a rumor of such dire happening comes from Monterey, Mexico. If it comes by telegraph, it comes over Carranza telegraph lines, does it not?

Dr. INMAN. Yes.

The CHAIRMAN. Now, how would you check it up, and prove it to be incorrect?

Dr. INMAN. I have in mind one thing—that the press of the United States reported that Gov. Osuna had been captured by bandits.

The CHAIRMAN. Where did that come from?

Dr. INMAN. I don't know where it came from.

The CHAIRMAN. Where did it purport to originate?

Dr. INMAN. I say I don't remember; but that was the statement made in the papers, and, of course, I was quite exercised about it, until I heard several weeks later from friends in Mexico that such was not the case.

Senator BRANDEGEE. Well, you never made any systematic attempt to check up what was false, and what was true, did you?

Dr. INMAN. No.

The CHAIRMAN. Any newspaper man anywhere in the Republic of Mexico, where there is a Carranza garrison, a Carranza government, or a Carranza official, who sends out news of that kind, if he happens to be an American, is subject to deportation under the Mexican law, is he not?

Dr. INMAN. If he does anything that is considered objectionable, I think the President has the authority of deporting him.

The CHAIRMAN. Well, you do not hold Americans in this country responsible for false rumors originating in and coming out of Mexico, do you—or any special interest in the United States—do you hold them responsible for that?

Dr. INMAN. No.

The CHAIRMAN. Do you know that Associated Press correspondents have been arrested and deported without trial, from Mexico City?

Dr. INMAN. I have heard that stated.

The CHAIRMAN. That is done under authority of the constitution, is it not?

Dr. INMAN. I understand under the authority of old Article 33. I don't know what the new article is. The Americans call it 33.

The CHAIRMAN. And do you know that there is a treaty between the United States and Mexico which prohibits that?

Dr. INMAN. No, sir.

The CHAIRMAN. What press dispatches have you seen coming from the border which you have checked up and proved to be incorrect?

Dr. INMAN. I do not have any in mind now.

The CHAIRMAN. Have you checked up any which have proven to be incorrect?

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Dr. INMAN. It is notable and general discussion of the fabrication on the border, fabrication of news, that is referred to in a great many articles.

The CHAIRMAN. Where?

Dr. INMAN. Well, every little while, practically all the magazines.

The CHAIRMAN. Just in such general statements as you are now making?

Dr. INMAN. There are pretty specific statements all through the year.

The CHAIRMAN. That is what I am trying to get at.

Dr. INMAN. You must certainly recall that there is a general reference to the fact that on the border there are a lot of statements fabricated, but I do not recall any of those.

The CHAIRMAN. I am trying to chase it down, and if it is in the power of this committee we are going to trace it down and show whether there are any manufacturers of evidence sending out evidence from the border or elsewhere for the purpose of inflaming the minds of the people of the United States, and I wanted to know whether the Associated Press is engaged in that business. Do you know?

Dr. INMAN. No; I don't know that it is.

The CHAIRMAN. Then you acquit the Associated Press, do you, of any such charge?

Dr. INMAN. I have no evidence at all that the Associated Press has done anything of that kind. I never made any accusation against the Associated Press.

The CHAIRMAN. Then against whom are you making the accusations?

Dr. INMAN. I am simply stating, Mr. Chairman, that in reading these papers these things come up. I did not make any accusations at all. You can see things in the papers, they are simply there, without putting a hand on them and saying, "I know this was done by this, that, or the other man or organization."

The CHAIRMAN. That is one general statement of yours.

On page 18 I note that you say that "no doubt the statements were made in a kind of careless way by those who thought they should exaggerate a bit in order to emphasize the bad conditions sufficiently. But in Mexico, where people actually are living in conditions entirely different, it appeared as nothing less than damnable lying for a purpose. When some reporter wants a 'scoop,' or some Congressman wants to please his constituents, say, or some after-dinner speaker needs to wake up his follow diners, Mexico, being a subject in which everyone is interested and about which few know anything, offers a fine field."

What Congressman have you in mind?

Dr. INMAN. No one in particular.

The CHAIRMAN. Then this was just a general statement?

Dr. INMAN. Yes; but it is——

The CHAIRMAN. Have you had any instances coming under your observation or being called to your attention in which after-dinner speakers or Congressmen have made inflammatory speeches or speeches not founded on facts, with references to matters in Mexico?

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Dr. INMAN. Of course, I referred there to the report that had been made in Mexico that Carranza did not control but 5 per cent of the country.

The CHAIRMAN. That was what you had reference to here?

Dr. INMAN. About that inflaming the people down there; yes.

The CHAIRMAN. When was that?

Dr. INMAN. That was reported in the papers when I was down there in February.

The CHAIRMAN. Through the speech of what Congressman?

Dr. INMAN. Not a speech of a Congressman, but at a dinner which was held. I think I referred to that just before the article that you have cited.

The CHAIRMAN. You refer, then, to the speech of the vice president of the Guaranty Trust Co.?

Dr. INMAN. As it was reported in Mexico, yes.

The CHAIRMAN. Well, The World To-morrow is not published in Mexico, is it?

Dr. INMAN. No.

The CHAIRMAN. You quote the speech from The World To-morrow under date of March, 1919.

Dr. INMAN. It was also reported in Mexico papers in large red headlines across the top of the page and caused a good deal of excitement down there.

The CHAIRMAN. Was it misquoted in Mexico, or was it quoted as you quote it from The World To-morrow?

Dr. INMAN. It was a summary in Mexico and along the same lines.

Senator BRANDEGEE. Referring to the vice president of the Guaranty Trust Co., that is the same company whose prospectus you referred to yesterday, advising people that it was advisable for them to make investments in Mexico, is it not?

Dr. INMAN. The same; yes.

The CHAIRMAN. You quote this speech apparently as follows:

Thanks to a careful censorship, little real news has come out of Mexico publicly in the last two years, but from private sources we learn that conditions there have become intolerable. American business institutions with large interests in that territory have recently been compelled to organize, for the purpose of calling this situation to public notice and, if possible, to secure some measure of protection from our Government.

The distressing fact to all those sincerely interested in the welfare of the Mexican people, and who would like to see the Mexican people develop themselves, is that Mexico has not the seed within herself to achieve what manifestly must be accomplished before it can enjoy a free and enlightened Government. It must seek assistance outside of itself to lift it out of the chaotic conditions now existing.

The new Mexican constitution, recently adopted, is Bolshevik in its theory and provisions. It decrees that the holding of property is a social function, and provides for the bald confiscation of property rights, as Americans and all civilized Governments understand such rights.

Was that speech reported in Mexico properly, or was that there some change made in it before it was published?

Dr. INMAN. Of course, more of it was reported, and I think more of it was reported in The World To-morrow, but I cut out that part of the quotation which seemed to me to be especially offensive, because I did not want to give that.

The CHAIRMAN. That is the speech, then, which you have in mind when you say that when some reporter wants a scoop or some after-

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dinner speaker wants to wake up his fellow diners, Mexico being a subject in which everyone is interested, and about which few know anything, offers a fine field?

Dr. INMAN. That is not the full speech.

The CHAIRMAN. That is the one you had in mind?

Dr. INMAN. Yes.

The CHAIRMAN. You called my attention to the fact that you quoted it?

Dr. INMAN. Yes. I simply referred to that as being one of the things that inflamed the Mexican people down there.

The CHAIRMAN. Yes; and one of the things which you think to be untrue?

Dr. INMAN. Yes, sir.

The CHAIRMAN. I notice in your book, on page 28, you place the confiscation of foreign property in Mexico, or the subject of the confiscation of foreign property, apparently upon a plane with the prohibition amendment just passed by the Congress of the United States. Do you recall that paragraph?

Dr. INMAN. I recall it; but my intention was not to place it upon that plane, but simply to call attention to the fact that some people might do so.

The CHAIRMAN. You say on page 28:

> We have just confiscated foreign property by the millions by passing the prohibition amendment, yet no one would think that that gave a foreign government the right to intervene in our affairs.

You were comparing it with the twenty-seventh article of the Mexican constitution; and do you think that is a fair comparison?

Dr. INMAN. My idea there was to bring out the fact that there was a recognition of the State's power to take over property which, for example, is being discussed in Great Britain at the present time.

The CHAIRMAN. This is your idea: That that is a fair comparison?

Dr. INMAN. I simply wanted to throw that out as a thought.

The CHAIRMAN. As a fair comparison?

Dr. INMAN. As a thought for the reader.

The CHAIRMAN. Well what thought did you have about it yourself?

Dr. INMAN. For the reader to make his own comparisons.

The CHAIRMAN. You had some thought about it yourself, did you not—you wrote it after some thought?

Dr. INMAN. I don't know that I did. It is simply one of those numerous things now that is pushing to the forefront in the nationalization of properties in all parts of the world.

The CHAIRMAN. I notice, in referring to the Monroe doctrine, on page 33, that you say that—

> Chile and Colombia and Nicaragua and other countries and countless individual Latin Americans believe—and we must not forget that they sustain this contention by quotations from our own authorities—that it means not "America for the Americans," but "America for the North Americans."

What American authorities do they quote on that subject?

Dr. INMAN. Take, for example, the book of Prof. Powers, America Among the Nations, written during the war; and that is practically the whole argument in that book.

The CHAIRMAN. Written during the war?

Dr. INMAN. Written during the war.

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The CHAIRMAN. Have you ever heard it quoted in Latin America?

Dr. INMAN. Yes, sir.

The CHAIRMAN. Where and by whom?

Dr. INMAN. It is quoted in a series of articles that are now being printed in the Norte el Americano, which goes all over Latin America. I have a book written in Portuguese, and practically the whole of it is given to such quotations.

The CHAIRMAN. When was this book published?

Dr. INMAN. The book was published about 10 years ago.

The CHAIRMAN. I thought you said during the war?

Dr. INMAN. No; I say Dr. Powers's book was published during the war.

The CHAIRMAN. That is what I am asking about. When was it gotten out, about? What was the date, do you remember?

Dr. INMAN. I don't remember. It was the latter part of 1917.

The CHAIRMAN. Upon what authority does Mr. Powers rely in making those assertions? Did he attempt to quote any State records or department papers or executive documents?

Dr. INMAN. No; I don't think he does; but, as I say, this other book does, this Brazilian book, quote the words of our State Department and many other prominent men in Congress.

The CHAIRMAN. Do you agree with this Portuguese book or Brazilian book after you have examined those authorities, that that doctrine is announced by any competent American authority, that the Monroe doctrine is declared to mean "America for the North Americans," by any competent American authority, I say, or did you disagree with the Portuguese book when you read it?

Dr. INMAN. I rather disagreed with it.

The CHAIRMAN. Did you take any steps to undeceive the minds of the Latin Americans as to what the true meaning of the Monroe doctrine is?

Dr. INMAN. I try to do so whenever I have opportunity; I try to show them that that is not the meaning of the Monroe doctrine.

The CHAIRMAN. It is fortunate that we have some one to do that. I notice in here:

> The Mexicans are an exploited people. The land baron and the priest have continued their unholy alliance from the days of the Conquistadores till the present, playing alternately the one into the hands of the other, to keep the people in ignorance, superstition, and debt, so that the exploitation, both by padre and amo, would be sure and easy.

That statement is made after due deliberation of the present conditions, or those existing for the past 30 years in Mexico, is it?

Dr. INMAN. Yes.

The CHAIRMAN. I notice you say that—

> Foreign capitalists, with their immense concessions, have usually been willing to join the system of exploitation.

That is true, is it?

Dr. INMAN. Yes.

The CHAIRMAN. What immense concession do you know of, within your knowledge, that is held by any foreigner, American or other foreigner, in Mexico?

Dr. INMAN. Concessions—I can not recall any just at the present time.

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The CHAIRMAN. How would the holding of any such concession, unless you can recall such concession, enable one to exploit the people of Mexico? In other words, what character of concession must it be?

Dr. INMAN. I should think it would be a concession from the Government.

The CHAIRMAN. What character of concession from the Government?

Dr. INMAN. Excusing them, for example, from taxation and giving them certain privileges.

The CHAIRMAN. What character of concession have you in mind?

Dr. INMAN. You take any number of those references that are made in Turner's book on Mexico.

The CHAIRMAN. You refer to Kenneth Turner?

Dr. INMAN. Yes.

The CHAIRMAN. Barbarous Mexico.

Dr. INMAN. Yes, sir.

The CHAIRMAN. Written in collaboration, I believe, with Guitterez DeLara?

Dr. INMAN. Yes.

The CHAIRMAN. Do you regard that as authority?

Dr. INMAN. I regard a good many statements in there as true; yes, sir.

The CHAIRMAN. Have you taken any steps to corroborate those statements in there that you say are true?

Dr. INMAN. No steps to corroborate them; no.

The CHAIRMAN. You just regard them as true because you have read them?

Dr. INMAN. Yes.

The CHAIRMAN. Did Mr. Turner refer to concessions in that book?

Dr. INMAN. Yes, sir.

The CHAIRMAN. He did?

Dr. INMAN. I think so.

The CHAIRMAN. And he was referring to foreign concessions at that time?

Dr. INMAN. He referred to foreign concessions; yes.

Senator BRANDEGEE. Did he not give any instance of any particular foreign concession that was aiding in exploiting the Mexican people?

Dr. INMAN. It has been some time since I read the book.

The CHAIRMAN. I have read the book and I know something of the conditions he referred to. Was he not referring to agricultural conditions in the tropical regions of Mexico?

Dr. INMAN. Partly; yes, sir.

The CHAIRMAN. Well, is not that the whole theme of his work—the tropical regions of Mexico, on the plantations? That is what Kenneth Turner was writing about, was it not? The deportation of the Yaquis from the Yaqui and Fuerte River, etc., to Campeche and Yucatan and those regions, and the labor conditions on those plantations?

Dr. INMAN. Yes.

The CHAIRMAN. That is what he was referring to. Do you know what a concession is in Mexico?

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Dr. INMAN. There are various kinds. A concession is a particular privilege given by the Government to somebody.

The CHAIRMAN. Do you know anyone whomsoever—a Mexican or foreigner, American, or anyone else—to-day in Mexico who holds a bit of land by concession from the Mexican Government?

Dr. INMAN. I do not know of any individuals; I can not mention any at the present time.

The CHAIRMAN. Did you ever hear of any individual or corporation, in your knowledge of Mexico up to the present time, holding any land from the Government of Mexico by concession?

Dr. INMAN. The Government of Mexico has given land, for example to certain individuals, after Indian tribes had been dispossessed, and those individuals have taken charge of the land.

The CHAIRMAN. Have given lands?

Dr. INMAN. Well, they have made it possible for that individual to get that land.

The CHAIRMAN. Now, Doctor, you are voicing just what a good many people have voiced before you who know nothing more about the subject than you do. The Mexican lands are classified, and they are offered for sale to anyone who chooses to buy them, from the hectare, which is the unit, 2.47 acres, up to any number of hectares which he may be able to or choose to buy. These concessions you are talking about where Indians were ousted, do you not know that they were titles held, and the adjustment of these titles under governmental direction and with Government engineers in charge of the survey, and that the complaint of the Indians was brought about by the fact that upon surveys being made what they had formerly claimed as their holdings might be curtailed? Do you now know that is the truth of it, or do you not?

Dr. INMAN. Well, I am not sure just about the details of that. Isn't it true, for example, in the State of Morelos, that the Indians formerly held these lands?

The CHAIRMAN. Isn't it true that in the State of South Dakota, and the States of North Dakota, Colorado, New Mexico, the State of New York, the State of Maryland, and other States in this Union, Indians formerly claimed the land?

Dr. INMAN. That is true, but it is not true that a few men now own the whole States, as it is in Morelos.

The CHAIRMAN. Who has been undertaking to correct that trouble in Morelos?

Dr. INMAN. I don't know whether it has gotten so very much corrected at the present time.

The CHAIRMAN. Who has been devoting himself to it for the last nine years? Mr. Carranza?

Dr. INMAN. Zapata has had control of it.

The CHAIRMAN. Zapata?

Dr. INMAN. Yes, sir.

The CHAIRMAN. And his work has been upon the theory that he was going to correct the land titles in Morelos?

Dr. INMAN. Theoretically that was the basis of it.

The CHAIRMAN. Was he a supporter of Carranza or not?

Dr. INMAN. I don't think he was. He certainly was not along toward the last.

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The CHAIRMAN. Yes, sir. Did you ever know or have any reason to look into the titles by which the oil companies hold lands in Mexico?

Dr. INMAN. I understand that the oil companies bought their land direct.

The CHAIRMAN. Then you do not think the oil companies are holding concessions or operating under concessions?

Dr. INMAN. No, sir.

The CHAIRMAN. You acquit the oil companies of that, do you?

Dr. INMAN. Yes, sir.

The CHAIRMAN. What Americans do you think are holding lands under concessions? Do you think any of the mining companies are holding lands under concessions?

Dr. INMAN. Well, I take it that all the mining companies, according to law, have concessions from the Government to work the mines.

The CHAIRMAN. That is evidence of the fact that you have not looked into it. Mines are not worked under concession at all. The very authorities you give in your book and the statement you make in your book controvert that. Mines are acquired, not by concession, but they are acquired by denunciation, as we call it, from the Mexican Government, through the nearest local mining office.

Dr. INMAN. That is what I meant to say.

The CHAIRMAN. That is what you call a concession? Mines are concessions, are they?

Dr. INMAN. Well, I suppose technically they are not.

The CHAIRMAN. Well, it is a patent issued by the Mexican Government, signed by the President of the Republic, just the same as we get patents here for our property, except they have a condition subsequent, that in the event of your failure to pay taxes for three months in succession, automatically your title is forfeited and goes back and is subject to denunciation by some one else. There is no special privilege in that, when you or anyone else has a right to make a denunciation of any mining claim, is there?

Dr. INMAN. No, sir; except it is an arrangement with the Government.

The CHAIRMAN. Then the mining companies are not operating under concessions?

Dr. INMAN. No, sir; not where they are operating their own lands.

The CHAIRMAN. They may own the mine and they may acquire the mine, or they may take a mine under a grant. You may own the title, leading back 200 years, and take it from the King of Spain, or some viceroy of new Spain, and you can locate a mine of metalliferous minerals, and then I must acquire the land from you.

Dr. INMAN. I understand.

The CHAIRMAN. If you and I can not deal for it, I go into court, under the Mexican law, by condemnation proceedings, the only difference between that law and ours being a man has a right to denounce a mining claim, and if he does so he has the right of eminent domain, which is not usually granted in this country. Did you know those things?

Dr. INMAN. Yes, sir.

The CHAIRMAN. Then the mining companies are not operating under concessions? Now, what Americans are operating under concessions?

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Dr. INMAN. Well, there are factories down there, for example, which are excused from certain taxation for a number of years, to encourage them, and I have understood they are granted concessions. If I am mistaken about that, I am glad to know it.

The CHAIRMAN. The Mexican land law is published in a separate book. You can get it. If you haven't it I can furnish you with a copy.

These manufacturing concessions, what are they? What do they amount to? How do they enable anyone to exploit the poor laborer?

Dr. INMAN. Any manufacturer, of course, when he is given an opportunity of carrying out his organization, if he does not want to pay his laborers and if he is able to keep them down and keep them employed by him by any kind of means, dickering with the head politico or anybody else.

The CHAIRMAN. But that is not the question. Do you call that a concession? How does that enable him to work men at small wages? Where does it enable him to employ them at small wages and keep them in his employ, rather than to go somewhere else? Do you ever hear of a concession of that kind?

Dr. INMAN. Except from the fact that he works in with the authorities and he is able, for example, to see that these workmen do stay there and do work for him.

The CHAIRMAN. That does not apply to a concession. That would apply to an individual or anyone else. If you were to go there and engage in any kind of business, whether it is under what you call a concession or not, or what is so often erroneously, or invariably erroneously spoken of as a concession, when you go there and start any kind of business, whether it is the farming business, or a livery stable, or a garage, or anything else, and you employ men, if you can stand in with the officer and bribe him, how does that enable you to control your labor?

Dr. INMAN. Well, it enable you to control the labor simply by standing in with him.

The CHAIRMAN. How? Do you mean they still have peonage in Mexico, or slavery?

Dr. INMAN. Not at the present time, except, I should say, in rare cases, but that did certainly pretty generally exist during the Diaz administration.

The CHAIRMAN. Do you know what the peonage system was?

Dr. INMAN. Well, I have heard a good deal about what it was.

The CHAIRMAN. Well, what was it?

Dr. INMAN. For instance, if a man has a certain number of peons on his hacienda, and he would keep those peons there by means of debts, and if those peons who owed him anything went into another State he was given the authority to go in and get them and bring them back again.

The CHAIRMAN. Do you mean to sav that has anything to do with concessions?

Dr. INMAN. I mean to say that a man who had a concession from the Government, it is very natural for him to be in partnership with those numerous Government officials in that district.

The CHAIRMAN. Did you employ a mozo when you were living in Mexico?

Dr. INMAN. Not generally.

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The CHAIRMAN. Did you employ a cook?

Dr. INMAN. Very seldom.

The CHAIRMAN. You did your own cooking and brought your own horse and waited on yourself entirely?

Dr. INMAN. Yes, sir.

The CHAIRMAN. Did you know anyone or did you have any acquaintance with anyone who was fortunate enough to be able to employ a mozo and a cook?

Dr. INMAN. Yes, sir.

The CHAIRMAN. Did they have to go and stand in with the authorities to keep their cook and mozo?

Dr. INMAN. No, sir; but I am referring to out in these country districts.

The CHAIRMAN. I know what you are referring to. You are referring to the old peonage system that was done away with years ago, and not a concession. It was done away with by law years ago in Mexico. It never had any reference to concessions, and you are talking of and dealing with concessions, and so forth, in your book here, in your general exploitation of the people. Do you not know that a concession, such as you have been talking about, as a matter of fact, is simply a franchise to do business.

Dr. INMAN. I suppose so.

The CHAIRMAN. If you put in a street railroad in Washington or any other city in the United States, you would have to have a franchise from the authorities?

Dr. INMAN. Yes, sir.

The CHAIRMAN. Do you get any special privileges, apart from simply having a franchise to operate?

Dr. INMAN. There are certainly lots of deals between the people who own these francises and the officials of these cities.

The CHAIRMAN. Where there are corrupt deals? That is what you refer to?

Dr. INMAN. Yes, sir.

The CHAIRMAN. Therefore, your statement would apply to any franchise which would be issued in the United States, equally to a similar franchise or what you call a concession issued in Mexico?

Dr. INMAN. Yes, sir; where those combinations exist.

The CHAIRMAN. There is nothing in the franchise, however, about the control of labor.

Dr. INMAN. No, sir.

The CHAIRMAN. All right. Now, you are aware that grants have been made by this Government to railroads across the continent in times past, are you not?

Dr. INMAN. Yes, sir.

The CHAIRMAN. To induce private capital to build and operate the railroads?

Dr. INMAN. Yes, sir.

The CHAIRMAN. You are aware of the fact that cities and municipalities, little settlements all over this country, have offered inducements for factories to locate there? You are aware of that?

Dr. INMAN. Yes, sir.

The CHAIRMAN. Is that a concession, such as you have in mind in Mexico?

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Dr. INMAN. No; the thing I had in mind was, taking that whole paragraph together, when those things are issued by the officials and the concessions granted, and at the same time a combination formed of these corrupt officials, that is how it was done, not as the legal part of the concession but as a part of the whole deal.

The CHAIRMAN. Just exactly as if, through bribery or corruption, you might go into the city of Cleveland, Ohio, to-morrow and secure a street railroad concession or electric-light or gaslight concession, or something of that kind, by a corrupt deal?

Dr. INMAN. Yes, sir.

The CHAIRMAN. That is what you had reference to in your talk of a concession in Mexico?

Dr. INMAN. Yes, sir.

The CHAIRMAN. And that is what you mean by the immense concession of foreigners in Mexico that you spoke of on page 45 of your book?

Dr. INMAN. Yes, sir.

The CHAIRMAN. Doctor, in 1905 did you locate first in Monterey?

Dr. INMAN. Yes, sir.

The CHAIRMAN. How many people were employed in the smelters or work of that character there at that time, more or less?

Dr. INMAN. You mean altogether?

The CHAIRMAN. Yes, sir.

Dr. INMAN. Workmen and all?

The CHAIRMAN. Yes, sir.

Dr. INMAN. I suppose in the three smelters they probably employed 5,000 people.

The CHAIRMAN. Do you know anything about the wage scale paid there?

Dr. INMAN. I think they were paying at that time—I don't remember what they they were paying at that time, probably around a peso. I mean for the peon labor.

The CHAIRMAN. And from one peso or one Mexican dollar up?

Dr. INMAN. Yes, sir.

The CHAIRMAN. Was that institution run by Americans?

Dr. INMAN. Yes, sir; and American institutions of that kind in Mexico usually pay larger wages than the Mexican institutions, more than Mexican laborers are accustomed to receive.

The CHAIRMAN. Then the American institutions have not in that way injured the poor people of Mexico?

Dr. INMAN. No, sir. The large firms, I think I have stated, were a great benefit to the people in Mexico.

The CHAIRMAN. I noticed you have. I was going to call your attention to that, as a comparison of a contradiction in your book.

Judge Kearful has called my attention to page 10 of your book, where you say "Millions of men are dependent on American capital for their support." What is the general condition of the workmen employed by Americans in Mexico, where you have any knowledge of it?

Dr. INMAN. It is better than where they are employed by anyone else, just as I stated about the Monterey proposition.

The CHAIRMAN. How do you account for that? You are engaged in social work, uplift, education, religion. You must have thought on that subject.

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Dr. INMAN. I account for it in two ways, as many of the managers have explained it to me. In the first place, naturally, these managers are generally interested in their people from a social standpoint, and they believe above all that it is a good business proposition to take care of the people and to make them satisfied, to keep them from shifting around from one place to another.

The CHAIRMAN. And that system under your observation has worked out well?

Dr. INMAN. It has worked out well; yes, sir.

The CHAIRMAN. It has not been adopted by the Mexicans themselves, has it?

Dr. INMAN. Well, I wouldn't care to say it has not been, but I don't know of any outstanding instances.

The CHAIRMAN. It had not been, at any rate, before the Americans went in there?

Dr. INMAN. I don't think so.

The CHAIRMAN. Then the entrance of the American business man into the field of labor in Mexico has operated for the uplift and benefit of the Mexican laborer, has it not?

Dr. INMAN. Those that have been employed by the Americans.

The CHAIRMAN. Does it not have the same effect when there is a demand for labor at increased wages all over the country?

Dr. INMAN. Well, it is pretty hard, I think, Mr. Chairman, to affect the different parts of the country. For instance, the parts of the country that are far removed from the railroads and have very little contact with these centers, it is very difficult for them to be affected by anything except what happens right there in their own community.

The CHAIRMAN. Do you think the labor employed at Monterey, that you speak of—5,000, we will say—were entirely residents of Monterey?

Dr. INMAN. Oh, no. They were brought in from different parts of the country.

The CHAIRMAN. They were brought in from as far back as Zacatecas?

Dr. INMAN. Yes, sir; I should say so.

The CHAIRMAN. Zacatecas was a reservoir for mining labor for the entire Republic, after the shutdown of the mines of the city of Zacatecas, was it not?

Dr. INMAN. Yes, sir; and San Luis; San Luis Potosi, also; and several of those southern States. The labor was brought up by these American companies into the north.

The CHAIRMAN. What are the average wages paid by Americans now in Monterey for Mexican labor?

Dr. INMAN. I should say around two pesos for the manual laborer, or peon, and the peon all over the country now is receiving from a dollar to a dollar and a quarter and a dollar and a half. Even the municipalities that used to pay their policemen 37½ cents a day have increased that.

The CHAIRMAN. Yes; and they have increased the wages of the soldiers, too, have they not?

Dr. INMAN. Yes, sir; and the peons out in the country. I stopped some men who were bringing material in way out on the sidetrack

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and asked them what they were getting, and they were getting a dollar and a quarter, or 5 cuartillas and a maiz, I believe.

The CHAIRMAN. What is the preference of Mexican laborers, if they have any preference, as to who they shall work for?

Dr. INMAN. I heard it very often explained that they preferred to work for the Americans, because they said the Americans would give them a square deal. They don't have to pay the superintendents special rake-offs to keep their jobs, like they very often have to pay to their own people.

The CHAIRMAN. The general treatment was better?

Dr. INMAN. Yes, sir. I will say, Mr. Chairman, that I have had a good many friends who were superintendents, and men who had gone down there as representatives of these plants, and I have had a great admiration for the work they have done for the Mexican people. I do not want to create anywhere the impression that I have objected to the great majority of the American people who have been doing business in Mexico, or that I do not believe their work has been really missionary work, in a sense, for I have felt that right along.

The CHAIRMAN. Yes, sir. In other words, you believe that if the Americans were to quit work in Mexico conditions would be worse than they are now?

Dr. INMAN. Yes, sir; I do.

The CHAIRMAN. One of the inducements for you to continue at the work in which you are engaged in Mexico, is the fact that Americans are developing the natural resources of Mexico, and are themselves elevating the Mexican, is it not?

Dr. INMAN. I don't know as I can say that, Mr. Chairman.

The CHAIRMAN. Then what inducements would you have if the Americans were to quit work in Mexico?

Dr. INMAN. Simply the fact that we feel we will go anywhere, Central Africa, or anywhere, to do our work.

The CHAIRMAN. Certainly; but would you look forward with as much pleasure to your work and as sincere belief in the ultimate beneficial outcome of it, or the immediate beneficial outcome of it, if Americans were driven out of Mexico?

Dr. INMAN. No, sir; we would not.

The CHAIRMAN. I mean American business men.

Dr. INMAN. Yes, sir. We would consider that a tremendous calamity.

The CHAIRMAN. Then you think they are entitled to be heard the same as others in the United States?

Dr. INMAN. I certainly do; yes, sir.

The CHAIRMAN. Even if some Congressman who is wanting to secure the acclaim of his constituents is making a speech?

Dr. INMAN. Yes, sir.

The CHAIRMAN. Now, Doctor, I notice that you have a statement here in your book, rather a comparison, in reference to conditions existing under Diaz and under the present administration. You state here on pages 55 and 56 what a certain colonel would do with reference to the owners of live stock and such as that. You speak of the colonel here. You recall that paragraph?

Dr. INMAN. Yes, sir; I recall that paragraph.

The CHAIRMAN. In one of the communities where I lived the most prominent gentleman of the town, who owned the most real estate and who controlled

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hundreds of thousands of acres of farming land, was called "colonel." After several years' residence I learned how this title came to him. He was sent to this center some 20 years before as jefe politico. He organized a band of ruffians who would ride over the country and collect herds of sheep and cattle for him. If the owner of a little herd of cattle saw them being driven away and demanded, "Who told you to drive these cattle off?" the reply would be "The colonel." If the owner were audacious enough to go into the city and present himself before the authorities to demand that this gang be punished, before whom would he appear? Why, the colonel. If he insisted on demanding his rights, he would be thrown into jail and kept there until he recognized the colonel's supremacy. Thus the jefe politico had not only got his title "colonel," but amassed an immense fortune.

You know of conditions of that kind in that country?

Dr. INMAN. Yes, sir.

The CHAIRMAN. Coming under your own observation?

Dr. INMAN. Partly under my own observation.

The CHAIRMAN. Then you follow that: "When the revolutionists, many of them the very same men who had been robbed by the Colonel, 10, 20, or 30 years before, went into his beautiful home in the city after he had abandoned it and requisitioned a few desks and beds for their headquarters, their acts were telegraphed all over the United States to show the barbarity of the revolutionists." Instances of the character you have suggested have come under your personal observation, have they, Doctor?

Dr. INMAN. Yes, sir; that one did.

The CHAIRMAN. They requisitioned a few desks and beds for their headquarters?

Dr. INMAN. Yes, sir.

The CHAIRMAN. Which was telegraphed all over the United States?

Dr. INMAN. Yes, sir.

The CHAIRMAN. As showing the barbarity of the revolutionists?

Dr. INMAN. Yes, sir.

The CHAIRMAN. You have that instance in mind?

Dr. INMAN. Yes, sir.

The CHAIRMAN. Do you know anything about the looting of San Luis Potosi?

Dr. INMAN. I heard the history of it when I was down there this last time.

The CHAIRMAN. Do you know anything about the looting of the City of Mexico by the Carranza forces when they entered? Did you ever hear of that?

Dr. INMAN. Yes, sir.

The CHAIRMAN. Is that what they call "requisitioning"?

Dr. INMAN. No, sir. What I referred to is what I call "requisitioning."

The CHAIRMAN. What instances do you have in mind of the requisitioning of desks?

Dr. INMAN. Well, the instance that I referred to there is Piedras Negras.

The CHAIRMAN. How is that requisitioning carried out?

Dr. INMAN. They just simply went over there and took the furniture and took it to their headquarters.

The CHAIRMAN. Out of the Colonel's house?

Dr. INMAN. Yes, sir.

The CHAIRMAN. And that was telegraphed over the United States as on instance of the barbarity of the Mexicans?

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Dr. INMAN. Yes, sir.

The CHAIRMAN. You saw the telegrams, did you?

Dr. INMAN. Yes, sir.

The CHAIRMAN. Where did it come from?

Dr. INMAN. It came from Eagle Pass, Tex.

The CHAIRMAN. How did the news get to Eagle Pass, do you know?

Dr. INMAN. It is just a little way from Eagle Pass and there were a number of correspondents down there.

The CHAIRMAN. Was it sent out by the the Associated Press or by special correspondent?

Dr. INMAN. I don't remember who it was that sent it out.

The CHAIRMAN. Did you correct it?

Dr. INMAN. Did I correct it?

The CHAIRMAN. Did you correct it?

Dr. INMAN. Oh, no, sir.

The CHAIRMAN. Did you take any pains to go to the newspaper correspondent or any of them and explain to them this was simply the requisitioning of needed articles and was not in any sense a robbery?

Dr. INMAN. Why, I certainly did not, Mr. Chairman. If I had I would not have done very much else in those days, if I had been trying to correct the statements that were sent out by the newspaper men down there.

The CHAIRMAN. Now, I ask you about this propaganda with reference to oil and the supposed Mexican law; my attention has been called to the fact that you refer to that in your book. You said, I believe, that you had not any knowledge of the law, or any familiarity with the law yourself personally, the Mexican law, as to mines?

Dr. INMAN. None, except the general understanding that the mining laws provide for the ownership to remain with the Government.

The CHAIRMAN. Now, you make this direct statement, and I want to know upon what information you found it:

> The Spanish made a distinction between surface rights and mineral rights. It reserved to the Crown exclusive ownership of the subsoil; and therefore the Crown held the title to all mining properties. When Mexico became a republic, the Crown rights passed to the Federal Government. All subsequent mining laws of Mexico are based on this tradition of government ownership.

Upon what do you found your statement that under the Spanish and Mexican law the subsoil rights were retained by the Crown and later by the Mexican governments?

Dr. INMAN. That is from an article by my colleague, Dr. Winton.

The CHAIRMAN. Is the doctor present here?

Dr. INMAN. Yes, sir.

The CHAIRMAN. You have not studied Spanish law and Mexican law?

Dr. INMAN. No, sir.

The CHAIRMAN. Does Dr. Winton understand that law better than you do?

Dr. INMAN. Yes, sir.

The CHAIRMAN. And knows the difference, as you do, between "metales" and "minerales," doesn't he?

Dr. INMAN. Yes, sir.

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The CHAIRMAN. Does he understand Spanish?

Dr. INMAN. Yes, sir.

The CHAIRMAN. Very well. I will ask the doctor when he is on the stand something about that. Do you think that the Mexican oil law, under article 27, that is what you have reference to as the Mexican oil law, is not different from that of all other countries?

Dr. INMAN. That it is not different from that of all other countries.

The CHAIRMAN. Of other countries generally?

Dr. INMAN. Well, that is claimed by the Mexican people.

The CHAIRMAN. And as Dr. Winton knows more about that than you do, apparently, we will question him later. On page 134 of this book you—perhaps I had better read the entire paragraph. You state:

In February, 1913, Felix Diaz and Bernado Reyes broke jail at Mexico City, where they had been imprisoned as leaders of a rebellion against Madero, and placed themselves at the head of the rebel forces representing the old Diaz group. Huerta was intrusted with the command of the Madero troops. In order to stop the fighting, which continued for 10 days, a conference was held at the American Embassy with the American ambassador present, and Huerta, a traitor to Madero, who was made prisoner and afterwards shot. For his part in the affair Henry Lane Wilson was recalled, and the United States did not appoint until 1918 our next ambassador, the efficient Mr. Fletcher, who is still at his post.

There is an impression that the ambassador of the United States, Henry Lane Wilson, was a party to a diabolical affair resulting in the shooting of Madero and Bernardo Reyes.

Dr. INMAN. My understanding of it is just as it is stated there.

The CHAIRMAN. You want it to go just exactly as it is stated here?

Dr. INMAN. Yes, sir.

The CHAIRMAN. You have no hesitancy in making this statement with reference to Henry Lane Wilson?

Dr. INMAN. I have made it in public.

The CHAIRMAN. And you stand by it?

Dr. INMAN. Yes, sir.

The CHAIRMAN. What do you know about it; were you there?

Dr. INMAN. No, sir; I was not there.

The CHAIRMAN. Where did you get the information there?

Dr. INMAN. Oh, from American sources and from Mexican sources.

The CHAIRMAN. What American sources?

Dr. INMAN. The American press has stated that several times.

The CHAIRMAN. Stated what?

Dr. INMAN. Stated the facts that are given there.

The CHAIRMAN. Will you furnish me with any article upon that subject stating that Henry Lane Wilson had anything to do with this diabolical affair?

Dr. INMAN. I think I can furnish you with such articles by going back through the files, which would be rather difficult.

The CHAIRMAN. I would imagine it would be rather difficult, Doctor. From what Mexican sources did you learn that?

Dr. INMAN. Well, the general run. I do not remember the particular Mexicans that told me about it, but Mexicans like Prof. Osuna.

The CHAIRMAN. Where was Prof. Osuna at that time?

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Dr. INMAN. He was in the United States at that time, I think.

The CHAIRMAN. What other Mexican gave you information about that?

Dr. INMAN. I do not remember the individual, but that is the claim——

The CHAIRMAN. Do you know, Dr. Iman, whether or not there were Americans residing in the city who were present at the conference between Huerta and Diaz or their representatives and Henry Lane Wilson?

Dr. INMAN. I do not know.

The CHAIRMAN. You do not know of that at all?

Dr. INMAN. No.

The CHAIRMAN. This information that you have conveyed in the paragraph which I have read, or this statement which you have made, has been made simply upon information, the sources of which you have given now?

Dr. INMAN. Probably other sources; I think there are a great many people who will say that very thing.

The CHAIRMAN. Some have said it, and some have been sued in the courts for it and had to confess that it was not true. Did you know that?

Dr. INMAN. No.

The CHAIRMAN. You do not know that Henry Lane Wilson had brought suit for libel against a certain paper or periodical in the country?

Dr. INMAN. No; I did not know that.

The CHAIRMAN. You do not know anything about the change of affairs of Harper's Weekly magazine, do you?

Dr. INMAN. No.

The CHAIRMAN. Then you do not know that something of a similar statement of this kind was lately tried in the courts?

Dr. INMAN. No.

The CHAIRMAN. Doctor, those sources were equally open to you, it seems to me, as to myself and the rest of the public generally?

Dr. INMAN. Probably so, but I certainly never heard of them.

The CHAIRMAN. Well, I am not bringing any libel suits myself, and except as a citizen of the United States I am not interested in this particular statement. I notice that you say here—my attention is called to the fact that "unfortunately, one source of prejudice against us is the number of Americans who are living in Mexico because they could not live in the United States. We have had a great many Americans who could not explain why they were in Mexico. Naturally, they do not contribute anything to closer friendship between the two peoples." What Americans did you have reference to there?

Dr. INMAN. Why, it is a common joke on the train to meet a man and talk with him; you should not ask him what he was doing in Mexico.

The CHAIRMAN. Did anybody ever play that joke on you?

Dr. INMAN. Yes; I think they have.

The CHAIRMAN. What did you answer

Dr. INMAN. I would reply what I was doing.

The CHAIRMAN. Did you ever ask any other American what he was doing in Mexico?

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Dr. INMAN. I have asked a good many.

The CHAIRMAN. And did you secure a satisfactory reply?

Dr. INMAN. From some of them; from practically all of them.

The CHAIRMAN. Can you recollect an instance in which you did not?

Dr. INMAN. No, sir; but I do not think any one who has lived in Mexico would deny that statement. There are a great many Americans down there—I believe there are a great many Americans who could not explain why they were there, and would not like to explain.

The CHAIRMAN. Can you mention one?

Dr. INMAN. No. I have not been in Mexico to live for five years.

The CHAIRMAN. You did live there?

Dr. INMAN. Yes.

The CHAIRMAN. And you did not have any associates among that class of Americans?

Dr. INMAN. Well, I have had acquaintances.

The CHAIRMAN. You have had acquaintances?

Dr. INMAN. Yes, sir.

The CHAIRMAN. Among that class of Americans?

Dr. INMAN. Yes.

The CHAIRMAN. Can you mention one of them?

Dr. INMAN. No. It is too far back to remember.

The CHAIRMAN. Are you familiar with the extradition laws between the United States and Mexico?

Dr. INMAN. Well, in a general way.

The CHAIRMAN. Do you know whether there are any exceptions to the offenses or crimes which are not extraditable under the treaties between the United States and Mexico?

Dr. INMAN. Well, I think, for example, military slackers are not included. I know that it was reported that there was a large colony of military slackers in Mexico while I was down there.

The CHAIRMAN. And that is the only instance you can call to mind?

Dr. INMAN. I recall that to mind.

The CHAIRMAN. And are those the people to whom you refer in your book?

Dr. INMAN. Yes; I had those in mind, I think.

The CHAIRMAN. Then why didn't you state that military slackers who had gone across during this war to escape military service in this country did not contribute to close friendship between the two peoples? Did you think that the people reading this book would read between the lines "military slackers"?

Dr. INMAN. No; I do not think it is necessary.

The CHAIRMAN. Is it your purpose, or was it your purpose, that they should read in there, "military slackers"?

Dr. INMAN. No; not particularly, because military slackers are simply a part of it.

The CHAIRMAN. Did you know or did you not know—you are operating in foreign affairs, and evidently you might give a little attention to the fact—that our treaties of extradition with practically all countries up to recent years provide that political offenders are not extraditable, and a military slacker is a political offender under military law; you do not know that?

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Dr. INMAN. No.

The CHAIRMAN. On page 147 of your book you have mentioned two instances of hostilities to Americans in Mexico, the second of which is as follows:

> The other instance of hostility to Americans is the general order which Huerta gave at the time of our taking Vera Cruz to have all Americans in Mexico arrested. Many outstanding Americans, including our consular officers, were thrown in jail and kept there until released by the Carranza authorities, who afterwards captured the towns where they were imprisoned.

Upon what authority did you make that statement?

Dr. INMAN. One of those on the authority of Gen. Hanna, consul at Monterey.

The CHAIRMAN. Where is Gen. Hanna?

Dr. INMAN. Monterey.

The CHAIRMAN. At the present time?

Dr. INMAN. Yes.

The CHAIRMAN. Any other authority?

Dr. INMAN. That is one I particularly remember.

The CHAIRMAN. Gen. Hanna stated to you—he is the only authority that you remember—that Huerta issued a general order at the time that we took Vera Cruz, to have all Americans in Mexico arrested. Gen. Hanna stated that to you?

Dr. INMAN. No; he didn't state that.

The CHAIRMAN. Who stated it to you? And he stated, "Many outstanding Americans, including our consular officers, were thrown in jail and kept there until released by the Carranza authorities, who afterwards captured the towns where they were imprisoned."

Dr. INMAN. I had particular reference to his own case there.

The CHAIRMAN. Who afterwards captured the towns where they were imprisoned. Do you mean to say that Gen. Hanna himself was arrested by order of Huerta? Did he state that to you?

Dr. INMAN. Yes, sir.

The CHAIRMAN. You are positive of that?

Dr. INMAN. Yes.

The CHAIRMAN. How do you know that?

Dr. INMAN. Why, by the word of——

The CHAIRMAN. How was he arrested?

Dr. INMAN. By the general or whoever was there at Monterey.

The CHAIRMAN. Under a general order?

Dr. INMAN. Well, the general order. There was evidence of that, because a number of our missionaries and others were taken at the same time.

The CHAIRMAN. That is what I am getting at now.

Dr. INMAN. Consul Silliman and one of our missionaries in Saltillo were taken at the same time.

The CHAIRMAN. And what was done with them?

Dr. INMAN. Gen. Hanna was released immediately.

The CHAIRMAN. Why was he released immediately?

Dr. INMAN. He was released immediately when the Carrancista soldiers came in.

The CHAIRMAN. How long was he incarcerated?

Dr. INMAN. Only during a battle.

The CHAIRMAN. Now, isn't it a fact that Gen. Hanna was guarded, was taken under orders by the military authorities for the purpose of

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guarding him against attacks by the mob because of the excitement roused by the landing of the troops at Vera Cruz?

Dr. INMAN. No, sir.

The CHAIRMAN. That is not true?

Dr. INMAN. That is not true, according to the story that he himself told me.

The CHAIRMAN. And he was arrested, you say, because he was an American?

Dr. INMAN. He was arrested because he was an American, and he was taken to the prison, was made to walk on, and the populace themselves cried out "Shame" to the leaders, and they were compelled to get a carriage.

The CHAIRMAN. We want to get at the truth of this. Who was the Carranza general who released him?

Dr. INMAN. I do not remember who was in command at that time.

The CHAIRMAN. And you made this statement, and you still want it to go out as you have made it, that Huerta issued that order to arrest Americans in Mexico, and under that order many outstanding Americans, including our consular officers, were thrown into jail and kept there until released by Carranza authorities, who afterwards captured the towns where they were imprisoned?

Dr. INMAN. That is it; just exactly.

The CHAIRMAN. As a matter of fact, you say that this Mr. Hanna, or Gen. Hanna, whichever is correct, was arrested during a battle, and that battle was when the forces which were allied with Carranza captured Monterey, was it? That is the battle you have reference to?

Dr. INMAN. I do not remember what battle it was, or who was the commander.

The CHAIRMAN. Well, he was arrested during the battle and released almost immediately, because the Carranza forces occupied the town and they released him immediately?

Dr. INMAN. He might have been arrested before the battle.

The CHAIRMAN. How long before the battle was he arrested?

Dr. INMAN. I do not know. It was only, I think, a couple of days that he was kept in prison altogether.

The CHAIRMAN. How long was Dr. Silliman kept in jail?

Dr. INMAN. I think it was several months, several weeks at least.

The CHAIRMAN. Who else was kept in jail?

Dr. INMAN. The missionaries that were with Mr. Silliman at that time.

The CHAIRMAN. Where were they?

Dr. INMAN. In Saltillo, and some of our missionaries were arrested in Queretero and Guanajuato.

The CHAIRMAN. Were the telegraph lines in operation at that time?

Dr. INMAN. I don't know. I suppose a good many of them were cut, because it was——

The CHAIRMAN. Were the telegraph lines in operation between Saltillo and Monterey?

Dr. INMAN. I do not know.

The CHAIRMAN. Were they in operation between Monterey and the border?

Dr. INMAN. I do not know.

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The CHAIRMAN. And couldn't Mr. Silliman and Gen. Hanna get a telegraphic message through to the United States?

Dr. INMAN. I do not know.

The CHAIRMAN. Was it possible for them to get a message through to the City of Mexico?

Dr. INMAN. I have no way of knowing what the condition of the lines were at that time.

The CHAIRMAN. Well, if the lines were down to Mexico City, how could Gen. Huerta get an order to arrest them?

Dr. INMAN. I do not say that they were down; I do not know what the condition of the lines were in there at that time.

The CHAIRMAN. Was anyone arrested in Mexico City, any American?

Dr. INMAN. I do not remember of any detail——

The CHAIRMAN (interrupting). Do you remember generally—did you hear of the arrest of any American in Mexico City under this Huerta order—where Huerta was?

Dr. INMAN. I say I do not remember of hearing of any individuals who were arrested.

The CHAIRMAN. Do you know Nelson O'Shaughnessy?

Dr. INMAN. Not personally; of course, I know of him.

The CHAIRMAN. Who was he?

Dr. INMAN. He was the chargé.

The CHAIRMAN. Where was he at the time we occupied Vera Cruz?

Dr. INMAN. If I recall accurately, he was in the City of Mexico.

The CHAIRMAN. He was in the city of Mexico? How did he come out?

Dr. INMAN. I think he stayed there for some time.

The CHAIRMAN. Was he released by Carranza?

Dr. INMAN. No.

The CHAIRMAN. Was he arrested at all by Huerta?

Dr. INMAN. Not that I know of.

The CHAIRMAN. Now, as a matter of fact, did you ever hear anything about what took place there?

Dr. INMAN. I suppose I have, but I do not have it clear in my mind. I read Mrs. O'Shaughnessy's book.

The CHAIRMAN. You never saw fit to recite any of those things in Mrs. O'Shaughnessy's book in your book, did you?

Dr. INMAN. Well, I——

The CHAIRMAN. If you had, would not you recall the fact that it is set out in that book that Mr. Huerta protected the American embassy and chargé and the Americans there, and when they left the city of Mexico they left under a military escort furnished by Huerta?

Dr. INMAN. I might have recalled that, but I think the other—this fact was so very definitely in my mind because I had friends connected with it. I do not remember about the Mexico City affair, but I did remember the fact of the various friends of mine being arrested.

The CHAIRMAN. Don't you know Gen. Huerta is dead, and he may be in one place or another; he may be now expatiating his sins, and do you think you are justified in placing this additional stain against his name—that he issued an order in Mexico to arrest all of the Americans in Mexico——

Dr. INMAN. That certainly is what I have understood from these missionaries who were arrested.

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The CHAIRMAN. And yet you say that because in Saltillo and Monterey, where the Carrancistas were attacking the towns, that in the City of Mexico the Americans were not arrested——

Dr. INMAN (interrupting). I said Queretero and Guanajuato, in both places there were general orders to arrest all Americans.

The CHAIRMAN. Issued by Huerta?

Dr. INMAN. Issued by the authorities, and they carried out those orders and arrested missionaries.

The CHAIRMAN. Can you give the names of any of your missionaries who saw such orders? You did not see them yourself?

Dr. INMAN. No.

The CHAIRMAN. Can you give me the names of any of the missionaries who saw the orders?

Dr. INMAN. No; but I can give you the names of the men who were arrested. The orders are not generally shown in Mexico.

The CHAIRMAN. Don't you know that under the constitution of Mexico, which was observed by Huerta, you can not arrest a man without a written order for his arrest?

Dr. INMAN. I know that the orders were not shown.

The CHAIRMAN. I happen to have had more than once instances come under my personal observation——

Dr. INMAN. Well, lots of them were not shown.

The CHAIRMAN. And you only know of one instance?

Dr. INMAN. These missionaries were simply told that they were arrested under orders.

The CHAIRMAN. You state in your book that they were arrested under the orders of Huerta?

Dr. INMAN. Yes, sir.

The CHAIRMAN. And that was by word of mouth? They simply told them by word of mouth that they were arrested under orders of Huerta?

Dr. INMAN. Yes, sir.

The CHAIRMAN. And you put it down that he issued a general order?

Dr. INMAN. That is the understanding among all those people who were arrested in the different parts of the country.

The CHAIRMAN. There are various people here in this room, who were in Mexico at the time, some in the City of Mexico, who are fairly familiar with conditions there, and I believe that we can get some information from some of them.

Senator BRANDEGEE. What was understood to be the purpose of Huerta when he issued that general order? What was the reason for it?

Dr. INMAN. Well, his resentment at the invasion of the American troops.

Senator BRANDEGEE. And no charge was made against these people who were arrested under this order?

Dr. INMAN. No; but simply that they were Americans.

Senator BRANDEGEE. Why was it that Huerta did not arrest O'Shaughnessy, since he arrested Gen. Hanna?

Dr. INMAN. Well, he did not think it politic to carry out the same measures in the capital of the republic as he did in the smaller towns.

Senator BRANDEGEE. He was in control of the capital of the republic, was he not?

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Dr. INMAN. Yes, sir.

Senator BRANDEGEE. And do you know of any American interest, corporation, or individual who was doing what you designate as exploiting the people of Mexico now?

Dr. INMAN. No; I do not.

Senator BRANDEGEE. Do you know of any foreign interests, other than American, who are exploiting them?

Dr. INMAN. No, sir.

The CHAIRMAN. Doctor, I notice on page 3, setting forth your purpose, you say, "What I hope to do, however, because I had special opportunities of knowing them, is to present the Mexican side of the question." What do you mean by that?

Dr. INMAN. Well, I mean, having lived in Mexico 10 years, and having known very intimately a number of Mexican people, including officials of the former government, officials of the present government, and a number of my own students in my own school having gone out into the revolution, and having known them personally, that I thought I had had special opportuities of knowing how the Mexicans think about the question.

The CHAIRMAN. And were you furnished any data by any Mexicans at all in compiling this book?

Dr. INMAN. No.

The CHAIRMAN. You had no assistance from them at all?

Dr. INMAN. No.

The CHAIRMAN. You have been out of Mexico several years? You were not there during the revolution?

Dr. INMAN. Well, I was there during, you might say, the worst part of the revolution.

The CHAIRMAN. When?

Dr. INMAN. Up to 1915.

The CHAIRMAN. At that time what position did your friend, Gen. Osuna, have—your special friend, Gen. Osuna?

Dr. INMAN. At that time Prof. Osuna was living in the United States.

The CHAIRMAN. Well, now, since coming out of there, and since Carranza was recognized in 1915, you had been living in the United States and had simply made one or two trips back there?

Dr. INMAN. Yes, sir.

The CHAIRMAN. Do you think that you are fully informed now, so as to write about what you call the Mexican side of the revolution, and present conditions in Mexico to the people of the United States?

Dr. INMAN. Mr. Chairman, I did not claim to know all about the subject, but I felt that I had a message to give to the people, and it was not my desire to put an extra book before the people, or anything of that kind, but I wrote that book from a sense of duty as an American citizen and as one interested in the missionary work in Mexico, and as one interested in Mexico itself, having a good many friends in Mexico in whom I have profound confidence; but at the same time it seemed to me that it was right for me to go forth, to give forth my general theory on the Mexican question and our relationships with that country.

The CHAIRMAN. How long did it require you to prepare this book? How long were you in writing it?

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Dr. INMAN. Well, I wrote some of those chapters practically while I was in Mexico, in February, and the book was given to the printers, I think, about June. At that time I was working on it in whatever time I could get, mostly from 10 o'clock at night until about 2 or 3 in the morning.

The CHAIRMAN. No one wrote the book, or any part of it, for you?

Dr. INMAN. No, sir.

The CHAIRMAN. You wrote it all by yourself?

Dr. INMAN. Neither did anyone suggest that I write it.

The CHAIRMAN. And no one furnished you any data?

Dr. INMAN. No, sir; absolutely my own production; and nobody recognizes its weaknesses more than I do; but still I am not sorry that I wrote the book. I stand by what it says.

The CHAIRMAN. I have no reason to be sorry, Doctor; so we are both satisfied.

Dr. INMAN. I think if we could get a law cutting out authors writing so many books it would be a good thing; but as long as they are all writing them I thought I might as well get in.

The CHAIRMAN. As a merry pastime.

Dr. INMAN. "Of the making of books there is no end." It just happened, Mr. Chairman, that it came out at a time when people were interested in Mexico. I suppose you would not consider that providential, but I might.

The CHAIRMAN. You have it headed, "Intervention in Mexico"; and you say you were engaged in propaganda and publicity in opposition to intervention in Mexico. I suppose you chose a fortunate time to write it and to have it issued. I do not see that it just "happened" at all. That was your purpose, was it not?

Dr. INMAN. I mean to say, when I first began writing it there was not near the interest in Mexico as developed later.

The CHAIRMAN. I think your book has added largely to the interest. I think I can congratulate you that it has very largely added to the interest in Mexican affairs.

Dr. INMAN. Thank you, sir.

TESTIMONY OF BISHOP JAMES CANNON, JR.

(The witness was duly sworn by the chairman.)

The CHAIRMAN. You may give your name, please.

Bishop CANNON. James Cannon, jr.

The CHAIRMAN. And your residence.

Bishop CANNON. My legal residence is at Blackstone, Va., but my official residence is at San Antonio, Tex.

The CHAIRMAN. And your occupation?

Bishop CANNON. Bishop of the Methodist Episcopal Church South.

The CHAIRMAN. What is your jurisdiction? I mean over what territory

Bishop CANNON. The reason for my appearance is I have been appointed by the College of Bishops to supervise all the work of our church in the Republic of Mexico, and among the Mexicans in Texas, New Mexico, Arizona, and California in the United States.

The CHAIRMAN. Very well. If you have any statement to make, you may now proceed.

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Bishop CANNON. I wish to say very frankly that I do not qualify as an expert on governmental affairs or matters of that kind. I am simply here to state some facts which I think are pertinent to this hearing.

The Methodist Episcopal Church South has a membership of 2,500,000 and has worked in the Republic of Mexico for many years.

I was put in charge of that territory in June, 1917, and found that our missionaries had practically all been called out by the department, owing to the disordered conditions of the country, and the question was put squarely to myself as bishop of the church to determine a recommendation as to what policy we should adopt in the future. And so I called together a meeting of our leading missionaries and decided to go down into Chihuahua, which was the worst situation we had, and see for myself. I did go down, with the foreign secretary, and must confess that I was greatly surprised at some things I found there, and it was later confirmed on the visit I made this summer to the States of Nuevo Leon, Coahuila, and San Luis Potosi, that the missionary property has none of it been damaged; that both the bandits and the Government were entirely friendly to the efforts of the American missionaries to help the people. For instance, I went into the Collegio Palmo, which has been under the Diaz régime for a year. The school had not been open for four years. I turned on the electric lights, took the sheets out of the beds—or the women did who were in the house—and they got out some crockery and cooked something to eat for us, and there was nothing injured except a few broken window lights. I think that is a fact worthy of note, that the misison and the missionary property has not been molested or damaged where our church operates.

Of course, it may be that there is no question of gain involved there, and they may be a favored class, and no reason for bandits to pick pockets of a missionary or waylay him on the road.

The CHAIRMAN. You found that condition existed during all the time that your missionaries were out in Chihuahua, did you not?

Bishop CANNON. We found our property had not been damaged or molested.

The CHAIRMAN. That was during the time that Salazar, one of the bandits in that section of the country, was operating, and Morasco, Villa, Chao, or any of the other bandits.

Bishop CANNON. I found a condition there, of course, that was somewhat abnormal. I was surprised, though, to see that trade was going on more than I had anticipated from the headlines in the newspapers. And I will have to say as to the newspapers that I can not give the names of the newspapers. I read all the newspapers I can pick up. I have been part owner of a daily newspaper for nearly 10 years. I know newspaper reporters pretty well, and I know they are after news and after headlines; and sometimes it is not a matter of bias or prejudice so much as it is how much it will fill up and how much it will take to fill the space. I have seen them count them out with their fingers to see whether a word would go in a headline and make the proper sort of headline. Very often the headline, without any special disposition to misrepresent, does considerable damage. I was told I ought not to go into Chihuahua; that it was a mistake to take a lady down there, and I was running a great risk. While I

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was there there was a raid within 2½ miles of the city, and a couple of men were hung to telegraph poles and cattle driven off by the Villa crowd, and when I got back there there had been a great battle, and a number had been killed. But I slept safely in Chihuahua that night, and the people knew of that raid. They were hunting for meat, and they knew a drove of cattle was going by at that time, and they chased them up and caught them and hung the two owners of the herd. Those in the city of Chihuahua all went about and felt safe and secure.

And so we determined to send our missionaries in. The State Department raised a little trouble about it at first.

The CHAIRMAN. Our State Deparament?

Bishop CANNON. Our State Department raised a little trouble about taking women down there, but after a conference with the Secretary of State he agreed to the proposition that a missionary had a right to be heroic, just as St. Paul did, and as he was going to save men it was not perhaps the proper thing for the State Department to say whether a man could not risk his life to preach the Gospel of Christ.

And so our missionaries went into Mexico that year, and we have had a year of operation. I want to confirm what Dr. Inman has said. Our schools have filled up. We have as many pupils as we can get teachers to care for, and people are paying a great deal more than I anticipated they could pay for the tuition of their children. We have our schools at Chihuahua, Saltillo, and Monterey in full operation, and I am trying to get more teachers to go down there and take care of the Mexican children whose parents wish them to attend American schools, and who are able to pay the money that is necessary to meet the expense.

Our churches are more largely attended than ever. I get reports from the missionaries in the field. I request them to send them to me every month, and some times I get them twice a month. In all these States the people certainly in the past year have been much more clear in their minds about the governmental conditions and are attending the church, and we have had large revivals. I think, perhaps, we have had more accessions to the church this past year, the old missionaries tell me, than they have had for many years.

As an illustration, I went in at Eagle Pass about the 1st of August in an automobile, a Ford car, and drove through the interior of the country. I was very much amused to read something some gentleman had written, who seems to be a German—Altendorf, I think his name was—in which he said it was not safe for anybody to go down there, that they would be murdered. I went out in that car with a Mexican driver and a missionary and rode into the interior of the State of Coahuila, after dark, after 10 o'clock at night. I remember I stopped at Allende. I found the Mexican people there sufficiently prosperous to put down $6,000 if our missionaries would put down $6,000 to build a new church, to cost $12,000 in a town of about 10,000, which I didn't think was very bad, even for the United States. Over in Saltillo a man came from Turan, which was either in Nuevo Leon or Tamaulipas, and said, "If you will put down $3,500, we will buy the lot and put in $3,500 to build the church."

Now, those are straws, but they are the straws that come my way. I am not a business man, but I have to do with the business affairs

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of the church, and I have been greatly encouraged, indeed delighted, with the growth of sentiment among our missionaries, that we should all go right in and that there was a most hopeful outlook in the Republic.

I don't think it is wrong for me to say—if you ask me for a list, I could give one, although Mexican names are not very easy for me to pronounce. I never studied Spanish. But I think, perhaps, as I was about to say, it is not wrong for me to say there was a conference in Saltillo about the 1st of August, and we had about 60 Mexicans there from the States of Chihuahua, Durango, Tamaulipas, Coahuila, and San Luis Potosi taking part in what we call our school centenary campaign. Of course, they were discussing intervention, the papers were discussing intervention, the people were discussing intervention, the United States were discussing intervention. I made it my business—of course, it was part of my business—to get the sentiment of those people. I talked with them privately, I talked with them in groups, and talked with my missionaries who have been there for 30 years.

The CHAIRMAN. You spoke in English?

Bishop CANNON. Oh, yes; but I had interpreters. There is not a missionary of our church that I know of that does not feel that intervention would be a great mistake. And I do not find any of our native Christians who do not think that intervention would be a great blow, not only to the aspirations of Mexico, but to the work of the church in that Republic. I suppose Mr. Inman can speak more forcibly, certainly with more information, with regard to the mission boards of the churches. The Congregationalists, Presbyterians, North and South; Disciples, North and South Methodists, and the Quakers are all active in the Republic of Mexico. I know Bishop McConnell's views, who is in charge of Methodist Episcopal work, and I think the conversations I have had with the secretary of the Methodist Episcopal board justify me in saying that I doubt if any of the missionaries think that intervention would not be a mistake.

I think that testimony is worth a great deal. These men have no aim in Mexico except the good of the people. These men have studied the situation, and are studying it all the time. While they are out in the interior they are studying it, back in town they are studying it, and they come in contact with the cross currents.

I tried to write down a few minutes ago, as I was sitting there, my idea of the situation, and I think it might be summed up something like this: The question is not whether in our judgment we could restore order in Mexico, whether we could make a more prosperous condition in the Republic of Mexico. We, perhaps, as Americans, think our form of government and our methods superior to any in the world. We might think we could do that, but that is not the question. And the Mexican people think that it is not. They might say we could do that, too. But the question is whether the people of Mexico desire our assistance in this matter, and whether we have a right to project ourselves into Mexico in a forcible way unless Mexico should do something that would justify an act of war. In other words, it seems to me that intervention is not a proper method to consider for Mexico. If the Mexican Government should commit an overt act which would justify war, such as it would be justified with any other nation, that is one thing; but because there is dis-

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order in Mexico, because property values are rather in doubt, because Americans who go into certain sections for gain run the risk of their lives and some of them are killed, because all bandits in Mexico are like bandits anywhere else, they would kill anybody that comes along for money, or will hold him up, is not sufficient. Even in the good old State of Tennessee two weeks ago they held up a train on the Louisville & Nashville between Montgomery and Nashville, and took money out of the express car. And also, I might say, I was here at the race riots in this city. We know that even in our own Capital City that when people determine to kill folks, if they have hate or passion or any other reasons, they will do it. Now that, I think, is perhaps the question as it has presented itself to our missionaries.

There were one or two other matters I had in mind. I want to emphasize the statement of Dr. Inman. I had quite a conversation with Bishop Moore, in charge of the work of our church in South America, just the day before he sailed, in which he discussed my going down into Mexico again. He brought up the whole subject of Latin America, and he stated to me that while he was not in South America when the United States declared war against Germany, as a man of inquiring mind and endeavoring to get at the situation in the country that he was supervising, he did try to find out the attitude of those people toward the United States, as naturally that would influence the attitude toward our missionary work. And he found there had been a great change in the attitude of the people down there toward the United States since the beginning of the war, and especially since they had been convinced that the United States had no designs on Mexico; that the President did adopt the policy of watchful waiting; that the President did say that the strong ought to bear with the infirmities of the weak, and we ought to be patient with people in the throes of revolution, and with the natural consequences of such a revolution. And he felt that the whole South American question had been changed with regard to the spirit and attitude of the people toward the United States, and as a result of that our trade has developed in South America amazingly, and the missionary work is developing there. He said he believed that for us to change the policy toward Mexico which had produced such a result would have a far more important effect on South America than on Mexico itself, and that no statesmanlike policy could be evolved that would not have an effect upon our relations with the whole Mexican problem and all of Latin America.

Bishop Moore is a man of good judgment. He is one of the leaders of our church and has been for years. I am sure if he gets back in time from South America, where he is now, that he would amplify the statements I have made with regard to this matter.

We believe, gentlemen of the committee, that the best solution for Mexico would be the largest possible amount of sympathy for them, the bearing with their mistakes, remembering that she has about 70 per cent illiterate people who can not read a newspaper for themselves, and are dependent on other people to tell them what is going on in the world, and who are easily influenced by these things, and to realize that they have been and are under a tremendous handicap.

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It need not be surprising if they have taken 10 years, it would not surprise me if they would take 20 years, to get through their period of strife and unrest and turmoil in trying to work out a solution.

Now, we believe if the policy of the church, which is the policy of helpfulness, is carried on, and we try to educate their leaders, as we are educating them, and try to show them that we really love them, that that will do more to bring the Mexicans closer to the United States than anything else. I may give an illustration which I think is worthy of mention. Last year, after seeing the State Department, the State Department said to me, "Now, if your missionaries will sign a statement relieving the Government of the United States from all responsibility for damages to property or life in the prosecution of their work, they can all go into any part of Mexico."

The CHAIRMAN. Did the State Department make that in writing?

Bishop CANNON. They told me if they would do that they would permit them to go.

The CHAIRMAN. I understand; but they didn't make it in writing at that time?

Bishop CANNON. No; but here is what happened.

The CHAIRMAN. I have no doubt of it having happened, but merely wish to know whether it had been made in writing.

Bishop CANNON. No; but here is what happened: I put the matter up to our missionaries, and I said, "Brethren, we are here to do the Lord's work, and we believe that we can go into Mexico and do that work. The State Department is rather doubtful about certain parts of Mexico. They will not let the wives of men who are engaged in business go down there with a passport. They will not give them passports in certain sections. Now, shall we go?" The laides of our mission board said without hesitation, "We will sign that waiver without the slightest hesitation. We don't think of such a thing as our own risk or danger." And certain Mexicans who had been anti-American heard that and said to me, "Well, whether all the Americans love us or not we can't say, but these people love us, or certainly they would not risk their lives, or say they would even run the risk of relieving their Government of responsibility, to come and help us." I think that spirit in Mexico will do more than any other sort of intervention. We believe in the intervention of the schools, the intervention of the hospitals, the intervention of the Gospel, to bring about the feeling that this Government is most anxious to lead Mexico out into a high state of government, even if our financial interests may not always develop to the state we would like them to be.

Now, that is the position that we feel should be taken in Mexico. I would be glad to answer any questions you like, Mr. Chairman.

The CHAIRMAN. You mentioned the little town of Allende?

Bishop CANNON. Yes.

The CHAIRMAN. Has that town another name?

Bishop CANNON. Allende?

The CHAIRMAN. Is it Allende Brava?

Bishop CANNON. I don't know.

The CHAIRMAN. Did you talk with the people there, any of the Mexicans, about the Carranza Government and how they felt about it?

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Bishop CANNON. As a rule, I try not to get into any political discussions, but I did ask them in every case about the improvement in conditions. I said, "How do you feel about the situation now as over last year? Do you think the Government is more stable than it was? Do you feel more willing to make investments and carry on your work?" I always ask those things.

The CHAIRMAN. You asked those questions there?

Bishop CANNON. Yes.

The CHAIRMAN. What was the general tenor of their answers?

Bishop CANNON. All but one man, he was inclined to think that the Americans would come in there and destroy, and it didn't make any difference what Government they had; it wasn't worth while to do anything, because the Americans were going to come.

Senator BRANDEGEE. What did he mean about destroying everything?

Bishop CANNON. Destroying the Government, overturning the Government. They all agreed that if America would come in, there would certainly be results, there would be certain results that would come, if we put enough troops down there. But the most of them think, Senator Fall, that conditions have improved.

The CHAIRMAN. I have a petition which I will read in the record from the citizens of Allende. That is the reason I asked the question.

Bishop CANNON. I talked with Mr. Figueroa. I took dinner with some other gentlemen, whose sons were there. Both of them talked English very well. And the officers of the church were there. They said conditions had improved. I take it they were in favor of the Carranza government, but they didn't go into that.

I went to Zaragossa, and Murelas or Morelos—I believe it was Morelos; I never can distinguish one of those towns from the other—where they were proposing to run a railroad. They were grading it then. I didn't suppose there was any railroad construction going on anywhere, but down in Mexico they were grading a railroad to go from Del Reo to Allende.

The CHAIRMAN. Doctor, you say your schools are in Monterey, Chihuahua, and Saltillo?

Bishop CANNON. Yes, sir; and Durango.

The CHAIRMAN. And Durango?

Bishop CANNON. Yes; and we have a day school at Parral and Toreon. There is a very valuable school property in San Luis Potosi, although we have not opened that.

The CHAIRMAN. Did you go to Parral?

Bishop CANNON. No; I did not go to Parral. Parral is a danger spot.

The CHAIRMAN. Has any of your property been destroyed at Parral?

Bishop CANNON. No, sir.

The CHAIRMAN. Villa has recently made a raid at Parral?

Bishop CANNON. Yes. We have not sent any American ladies there. We have all Mexican teachers and an American man who is presiding elder.

The CHAIRMAN. You say that Parral has been a danger spot?

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Bishop CANNON. Yes, sir. I think it is now perhaps the worst spot in the State of Chihuahua, from the reports the missionaries send me.

The CHAIRMAN. What did you observe as to the Mexican schools—that is, not the church schools?

Bishop CANNON. In the city of Saltillo the governor very courteously invited me to call on him, and then sent his secretary with me to inspect the State normal school, which was an amazing thing to me. I had no idea there was such a thing in Mexico. It runs 10 months in the year, paying the teachers $100 to $125 a month. And really, when I walked in the alameda in Saltillo, walked around at night, I found the young people courting there like anywhere else, people driving around in automobiles.

The CHAIRMAN. When was that school established?

Bishop CANNON. The normal school?

The CHAIRMAN. Yes.

Bishop CANNON. The normal school was established, I think, when Asuna was principal. I think the building was erected before the revolution, when Carranza was governor of Coahuila. No; I guess it was further back than that.

The CHAIRMAN. In the Diaz administration?

Bishop CANNON. It is being maintained now in very fine shape.

Chairman FALL. Outside of the normal school, what have you to say about the day schools generally in that State?

Bishop CANNON. Take Allende, for example: They have 10 teachers there, and they told me they were getting from 75 to 150 pesos, and they were supposed to run 10 months in the year, but I don't think they run quite that long. But they don't have all the teachers they need. They are greatly handicapped by lack of sufficient teachers.

The CHAIRMAN. They have plenty of funds?

Bishop CANNON. No; I would think not.

The CHAIRMAN. Do you know about the schools in Chihuahua? Do you know whether the public day schools are running or not?

Bishop CANNON. I don't think they are at present. I should say that was in a much more demoralized condition than any other part of the northern part of the Republic.

The CHAIRMAN. Did you make any investigation at all as to the system used prior to the revolution in 1910?

Bishop CANNON. The system of schools?

The CHAIRMAN. Yes.

Bishop CANNON. No; I did not.

The CHAIRMAN. I thought possibly it might have interested you to know what the system was prior to that?

Bishop CANNON. I was obliged to go to Europe and stay four or five months, and I did not catch up with that feature of it.

The CHAIRMAN. I suggest it would be very interesting if you would take the school reports of the State of Chihuahua for the year 1909.

Bishop CANNON. Before the revolution?

The CHAIRMAN. Yes. You will find then instead of one normal school they had two, two agricultural colleges, 60 postgraduates from the normal schools taking postgraduate courses in Europe, 22,000 children in daily attendance on schools for that district, and

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had a school in every little municipality and every little settlement in the entire State out of a population of 327,000, including Indians. I was interested in that at that time, not in the same way that you are, but I was very much interested in the schools. I have that list and will place it in this record at a later time.

Bishop CANNON. There is no question, Senator, that the disorganization following the revolution and turmoil and banditry must have a very demoralizing effect on rural education.

The CHAIRMAN. I was simply calling your attention to the statement, which has been commented upon by others, that Diaz did not foster education in Mexico, and I have heard it recently commented upon and I think in some of the papers we have here. Another interesting book is some of Mr. W. J. Bryan's lectures.

Bishop CANNON. Mr. who?

The CHAIRMAN. William Jennings Bryan. "Under Other Flags," I think, is the name of the book. He recites some facts with reference to the schools of Mexico coming under his observation. It is some very interesting matter.

Bishop CANNON. Mr. Bryan is always interesting.

The CHAIRMAN. Yes.

The CHAIRMAN. Doctor, you say that you talked with Dr. Moore, who had been to Latin American countries, with reference to the better feeling among the Latin Americans generally toward the United States because of our course in the war?

Bishop CANNON. Toward Mexico.

The CHAIRMAN. Did he mention any specific instances of our connection with any Latin American countries aside from the fact that we had done nothing with Mexico, as having brought about that better feeling?

Bishop CANNON. Well, of course, we discussed that in a general way, and our attitude toward Cuba as also having had a tendency to intensify that feeling. He said that the feeling was that we were not really endeavoring to dominate Mexico.

The CHAIRMAN. We did, however, intervene in Cuba and set up a Government for them?

Bishop CANNON. So we did, but let them go afterwards. But Spain was in there.

The CHAIRMAN. Yes; but did Dr. Moore mention Santo Domingo?

Bishop CANNON. No; we were discussing Mexico, especially as to the question of intervening in Mexico.

The CHAIRMAN. I thought you were discussing the good feeling in Latin American countries because of our attitude in the war.

Bishop CANNON. He said, in his judgment, it would have a very damaging effect on the question that I have already gone into.

The CHAIRMAN. He did not discuss our treaty with Nicaragua?

Bishop CANNON. No.

The CHAIRMAN. Nor of the denunciation by Nicaragua of the Supreme Court?

Bishop CANNON. No. I was bishop in charge of Mexico and he in South America, and we discussed simply those two situations.

The CHAIRMAN. He did not discuss our actions with reference to Costa Rico? In other words, he said because we had not intervened in Mexico they had a better feeling for us in Latin America?

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Bishop CANNON. Not only because we had not intervened, but because we were lenient; our policy toward Mexico had been kindly, and we had treated them as people who were in the throes of a revolution.

The CHAIRMAN. You yourself know nothing about whether there has been any feeling engendered by our treatment of any other Latin American country?

Bishop CANNON. In South America?

The CHAIRMAN. Yes.

Bishop CANNON. No; I do not. I am not acquainted with South American conditions except as I read them.

The CHAIRMAN. You know under the Diaz régime we had stopped revolutions in Central America and stopped the fighting between themselves by our action joined with that of Mexico, of course?

Bishop CANNON. I say I am not qualifying as an expert.

The CHAIRMAN. Well, this is a matter of historical interest, and you are interested, of course, in your work in Latin America.

Bishop CANNON. You ask me if I know that, and I might say yes; but if you asked me to go into specifications I would not be able to do so.

The CHAIRMAN. I was just asking you whether you knew it, and then I was going to follow that by asking you whether you knew that this alliance which we created and the supreme court which we assisted them to create and to which they agreed to leave all disputed matters has been broken up entirely, and as to whether you knew the reason of the breaking up of that.

Bishop CANNON. No; I never investigated that.

The CHAIRMAN. With reference to these statements that your missionaries were told they could sign, that is, told by our State Department that if they did sign them, waiving all claims for damage or injury to person or property, they might go into Mexico; did your missionaries sign those statements?

Bishop CANNON. I am inclined to think two or three of them did; but this is true, that the consul—I think his name is Graham—in Chihuahua, and the State Department said, "Now, you understand that does not mean that the State Department is not going to assist you in every way it possibly can, but if you go in there contrary to our advice, and we tell you it is not wise for you to do so, and we would not allow anybody but a missionary to go in there, then you must take it on the Pauline basis, that if bonds and afflictions abide you, that is gospel." That was the general attitude.

The CHAIRMAN. And the Government would not then interfere and try diplomatically to collect any damages to persons or property?

Bishop CANNON. I did not mean that they would not do all they could. They said they would do all they could, but they were making an exception in the cases of the missionaries over anybody else.

The CHAIRMAN. I understand that because they are not issuing passports to other people at all from time to time, and then they do issue such orders and do issue passports, but with reference to your missionaries at the time you speak of, they told you that you might go in there provided you would sign a waiver.

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Bishop CANNON. Yes; that in the event the Government could not protect us that we had gone in there contrary to the advice of the Government.

The CHAIRMAN. But I understood you to say that that waiver was that you would go at your own risk and that there would be no claim for damages?

Bishop CANNON. That you would not hold the Government responsible for your actions; that is about the sum of the waiver; that the Government was not held responsible for this action.

The CHAIRMAN. Which government? Our own Government?

Bishop CANNON. Our Government.

The CHAIRMAN. You say you think those waivers were signed?

Bishop CANNON. I think two or three of them were; yes, sir.

The CHAIRMAN. You do not know of any copy that is in existence?

Bishop CANNON. No; I do not.

The CHAIRMAN. If signed, it would be, of course, filed with the State Department here?

Bishop CANNON. I should suppose so, yes. It would not be of any value unless it were.

The CHAIRMAN. Well, unless there are some orders to the contrary, those passports were being issued at the border ports and not directly by the State Department. That is the reason I asked you if you knew whether they were filed.

Bishop CANNON. I got most of these passports and I think they were issued here.

The CHAIRMAN. That is what I want to know.

Bishop CANNON. I think I arranged for all the passports here.

The CHAIRMAN. Thank you, that is the information that I wanted. You say that you know nothing about the schools in Chihuahua and these other places; that you have not investigated as to the number of teachers and the number of schools and the number of normal schools, and so forth, prior to your connection directly with the schools?

Bishop CANNON. The State schools, you mean?

The CHAIRMAN. Yes.

Bishop CANNON. Only in a general way, just as I know with reference to our schools, that, of course, we had a very much larger attendance before the revolution.

The CHAIRMAN. You did have a larger attendance before the revolution than you have now?

Bishop CANNON. Yes.

The CHAIRMAN. You are now building it up rapidly?

Bishop CANNON. Just as fast as we can get the teachers. It is difficult to get the teachers.

The CHAIRMAN. Were you in Chihuahua in 1907, when you first went to Mexico?

Bishop CANNON. No; I stopped at Monterey, at Saltillo, at Mexico City, at Pueblo, and another place there that I have forgotten; Queretero, I believe.

The CHAIRMAN. Prior to 1910, when your schools had a better attendance even than they have now, did the people pay as liberally for the education of their children as they are paying now?

Bishop CANNON. Do you mean are our charges as large?

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The CHAIRMAN. You have stated here that the people were anxious to pay, and were very much better able to pay, for the education than you thought they were.

Bishop CANNON. Yes; than they were a year ago.

The CHAIRMAN. Well, did they pay as much or practically as much prior to the revolution as they do now?

Bishop CANNON. I do not know whether our charges were more then or not.

The CHAIRMAN. Your attendance was greater, you say?

Bishop CANNON. Yes; we had a larger sweep of territory then and our church was not confined to as small a territory. We had more teachers and we had more scholars.

The CHAIRMAN. I mean in the individual schools; I am not speaking of the aggregate; what was the comparison, with your school at Chihuahua then and now?

Bishop CANNON. I should suppose at one of the largest schools in northern Mexico, whose work had gone on for many years without interruption, we must have had twice as many students as we had at the beginning of last year. This year they report to me that their attendance is going to be very much greater after a year. That is the point I am making, comparative progress in a year.

The CHAIRMAN. You are not comparing, then, with further back?

Bishop CANNON. I am comparing the advance with the improved conditions in Mexico during this past year.

The CHAIRMAN. In so far as your churches and schools are concerned?

Bishop CANNON. Yes; and the ability of the people to pay money for church privileges.

The CHAIRMAN. But you are not comparing the business conditions or any other conditions except those with which you are personally familiar?

Bishop CANNON. No; except in Monterey. I saw Mr. McMillan there, who is president of the National Candy Factory. He is an American. He said that they were running now to their full capacity of materials; that they could not possibly supply the demand for candies in their territory, and the trade was increasing all the time. I thought that that was pretty good when candy was being sold around pretty generally. Then, the president of the bottling works there is an American and happens to be a Methodist. He was not able to meet the demands for bottled goods—not intoxicants, but soft drinks.

The CHAIRMAN. You do not know anything about the conditions in the candy business or bottling business?

Bishop CANNON. No; only the improvement as he tells me for the past year or two. Mr. Sharpton, down in San Luis, who is one of the leading American business men there, told me that intervention no doubt, if it were brought into effect, would greatly stabilize American property interests there and would give them more money at first, but that the Mexicans could not possibly stand for it; that they would fight it right along, and he was obliged to confess that his business for the past year had increased 100 per cent. I think his name is Mr. Alexander Sharpton. He is quite a prominent business man in San Luis.

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The CHAIRMAN. Doctor, another question now. Are you familiar with the Mexican constitution, the present constitution?

Bishop CANNON. Only the part that I have had to study with reference to church properties, and I read over something about oil lands.

The CHAIRMAN. With reference to church properties—we will confine ourselves to that and to teachers and ministers—have your foreign missionaries, Americans, the right under the present constitution to follow their calling in Mexico?

Bishop CANNON. Under the Mexican constitution no foreign minister is allowed to administer the sacraments, as I understand, but they are not prohibited from holding conferences, from exhortations, from preaching. I preached there just the same as I did in the United States and held conferences, but I did not administer the sacrament of the Lord's Supper; the Mexican pastors did that. That is the constitution as I understand it now. And I think that applies to the Roman Catholic Church as well as to the Protestants; that the Mexican priests are allowed to administer the sacraments, but not the foreign priests.

The CHAIRMAN. It applies to all denominations alike?

Bishop CANNON. Yes.

The CHAIRMAN. Do you think that condition is confined to the sacraments and not to preaching?

Bishop CANNON. Well, the various sacraments.

The CHAIRMAN. It does not prohibit public service?

Bishop CANNON. Well, I have been down there and held public service.

The CHAIRMAN. If you did, of course, you did not violate the constitution?

Bishop CANNON. Not at all; but I would not administer the sacraments. However, I did talk. They might not call it preaching, but I did talk and was interpreted. I did not call it preaching, because I was interrupted all the time.

The CHAIRMAN. Who interpreted for you?

Bishop CANNON. Rev. Lawn Pasco.

The CHAIRMAN. He was one of your missionaries there?

Bishop CANNON. Yes.

The CHAIRMAN. And a native?

Bishop CANNON. Yes.

The CHAIRMAN. Do you think you would have been allowed to talk without violating the constitution if you had not had a pastor interpreting?

Bishop CANNON. Well, our missionaries do. That is my understanding, Senator, that it is altogether a question of the sacraments, and not a question of what we would call exhortations.

The CHAIRMAN. You had your conference at Saltillo, and you say there were some 60 of your missionaries in attendance?

Bishop CANNON. Not missionaries; missionaries and workers.

The CHAIRMAN. You did not hear any criticism, of course, of the Mexican administration at all there?

Bishop CANNON. Oh, I would not say that; no.

The CHAIRMAN. You did not hear any public criticism, however?

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Bishop CANNON. No. I talked very freely with these gentlemen. I heard criticisms of President Wilson. Sometimes people criticize him, even to me.

The CHAIRMAN. You hear that in the churches, do you not?

Bishop CANNON. Not much.

The CHAIRMAN. You have heard it, have you not?

Bishop CANNON. Some. Most of the churches are for the President's league of nations policy, I think.

The CHAIRMAN. I was not discussing the league of nations. That is another proposition.

Bishop CANNON. I really thought that was what you asked me about.

The CHAIRMAN. Are you familiar with article 130 of the Mexican constitution?

Bishop CANNON. Not by number.

The CHAIRMAN. Well, are you familiar with the article of the constitution which prohibits any minister from discussing governmental affairs, or criticizing the administraton?

Bishop CANNON. No; I do not know of that.

The CHAIRMAN. That is article 130 to which I have reference.

Bishop CANNON. There was nothing said publicly. It was in private discussion with my own people.

The CHAIRMAN. We have no law or constitutional provision in this country prohibiting anything of that kind, have we?

Bishop CANNON. No; I think not.

Senator BRANDEGEE. Do you know what the feeling of the Mexican people was in regard to the Vera Cruz expedition that we sent down there?

Bishop CANNON. That was before my day.

Senator BRANDEGEE. You are not familiar with that?

Bishop CANNON. Not except from the newspaper headlines and what I have seen.

Senator BRANDEGEE. Some of them have referred to it in the talks with you?

Bishop CANNON. I do not think so.

Senator BRANDEGEE. Who was the official of the State Department who agreed to give you the passports, provided you would waive protection or indemnity? You say the department told you. There must have been some person in the department who did that.

Bishop CANNON. I laid before the department letters from——

Senator BRANDEGEE. Did you do that personally?

Bishop CANNON. Yes, sir.

Senator BRANDEGEE. What person in the State Department did you go to see when you laid these things before the department?

Bishop CANNON. I saw first Mr. Canova, who was in charge of Mexican affairs, and I had with me letters from the American board of commissioners in Boston, the Presbyterian board, the Methodist-Episcopal board, and, I think, from Mr. Inman I had a letter, too.

Senator BRANDEGEE. I did not care about the things you laid before him or where you got them, but whom did you see there first, Mr. Canova?

Bishop CANNON. I saw Mr. Canova and he turned down the granting of the passports. I said, "I can not be satisfied with this; I will get letters from the various boards setting forth the attitude

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of the churches in this matter, and insisting that our missionaries be allowed to go into this country if they are willing to take the risk of their own lives; that the Government has no right to block the Gospel of Jesus Christ this way"; and I then got these letters from Bishop McConnell and from the various boards and brought them back. My recollection is that there was a gentleman by the name of Crane. Was there such a man there?

Senator BRANDEGEE. Yes; there was.

Bishop CANNON. It seems to me there was a gentleman there by the name of Crane, to whom I turned over these documents and said, "I would like to have the ruling of the State Department on this matter, for it is very vital." A day or two later I saw him and he told me that the State Department had decided that he missionaries ought to be in a special class, not only in Mexico, but in all countries, but that when they insisted on going into a country contrary to the advice of the Government, that the Government would not guarantee their lives and property; that they must take it at their own risk; and if they would sign a statement to that effect—now I have never seen the statement worded, but that was the effect of it—that the passports would be granted, and I think two or three of the missionaries did sign those statements, but I could not say to-day who they were. That did not apply to men; that was only for women.

Senator BRANDEGEE. What did not apply to women?

Bishop CANNON. That paper. They were allowing men to go in, in other words.

Senator BRANDEGEE. The men did not have to sign a waiver?

Bishop CANNON. No; because they were giving passports to men right along, but they would not give them to wives.

Senator BRANDEGEE. If a woman went in, she went in at her own risk?

Bishop CANNON. She went in contrary to the advice of the State Department, and simply on the basis that she was a missionary and felt that she ought to do it; and, of course, that the authorities of her church felt that it was safe. Of course, I had to bear as much of that responsibility as anybody else, to say that I think it is safe and wise for you to go in there, and I think they went there largely on my judgment as anything else.

Senator BRANDEGEE. Those were the two only men in the department with whom you had any communication—the two whom you have mentioned?

Bishop CANNON. On this subject, yes. One minute. First, I took it up with the Bureau of Citizenship, and they said I could not do that, that I would have to go to the Mexican chargé d'affaires, but that was routine.

Senator BRANDEGEE. As I understand it, if a woman teacher wanted to go and the department did not want her to go and advised her not to go and she insisted, with the consent of her church and the official in her church, that they then would issue her a passport, but she had to sign a waiver that if she was damaged, either in person or property, the department would do what they could, but she must not attempt to hold them responsible?

Bishop CANNON. No; because she was going contrary to their advice.

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Senator BRANDEGEE. Now, will you give me the names of five or six of the gentlemen, one of whom you think signed such a statement?

Bishop CANNON. They were ladies, not gentlemen.

Senator BRANDEGEE. Will you give me the names of any of those ladies?

Bishop CANNON. I think the party at that time was composed of Miss Booth, Miss Massey, Miss Wynne, and Miss McCaughan.

Senator BRANDEGEE. What year was that in, Doctor?

Bishop CANNON. Last year.

Senator BRANDEGEE. 1918?

Bishop CANNON. Last summer; yes. The next month they were allowed to go in. Mr. Lancaster was allowed to take his wife and sister in without any waiver, I know; at least, I am pretty sure of that.

Senator BRANDEGEE. Well, was it your understanding that these ladies who waived any demand or claim for damages agreed not to hand in to the State Department any claim for damages if they were damaged?

Bishop CANNON. My understanding was this, Senator, and I think I try to make it clear, that the Government warned us, told us frankly, "We do not want to issue these passports, and we will not issue them to anybody except missionaries, but if you insist and these women insist that they ought not to be deprived of the opportunity of carrying on Christian work, and if they go in contrary to our protest and advice, why we will allow you to go in; we do not feel that we ought to step in in a spiritual matter like this, but we think it is only fair that the Government should be protected in this matter." As I say, I have not seen the form of statement, whether it said that this is contrary to our advice, that the Government will do all it can to protect you, but it must say to you that the responsibility of life and property in this case is not the same as it would be in the case of an ordinary passport.

Senator BRANDEGEE. But you do not know what was in the paper that these ladies had signed before they could get their passports?

Bishop CANNON. I have not seen the wording, but it was that substance.

Senator BRANDEGEE. I am interested to know how far an American citizen had to waive his rights of protection by the Government when he went into Mexico, but I will have to get that from the State Department.

Bishop CANNON. I do not think anybody did except the missionaries.

Senator BRANDEGEE. But the missionary men did not do that, you say?

Bishop CANNON. No; they did not.

The CHAIRMAN. They went in there with the same protection that any other citizen would have, but their wives or other women went in there without such protection?

Bishop CANNON. The Government granted passports not only to missionary men but to other men. The Government did not grant passports to wives and other women. It was contrary to their policy. This was an exception to their policy.

Senator BRANDEGEE. Do you think it was a good policy?

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Bishop CANNON. I do. I think the missionary ought not to be prohibited if he is willing to take his life into his hands; man or woman, he ought to be allowed to do it.

Senator BRANDEGEE. That is not what I mean. Do you think it was a good policy of the Government to allow its obligations to protect its male citizens, but to deny the female citizens any protection if they went into Mexico?

Bishop CANNON. I think the Government did just right about it, because I think the Government said to other men, "You can not take your wives to Mexico; we do not think it is wise for you to do so. A man can take care of himself better than a woman can, and we will not give you a passport for a woman down there." But here comes the missionary woman. She says, "I do not think you have a right to stop me from carrying on my work down there." The Government says, "You must do this; otherwise every other wife and every other woman can come along and say, 'Well, you gave her a passport, and you can give me one.'"

Senator BRANDEGEE. I think if a lady had a right to go in, and said so, she ought not to be compelled to abandon the protection of the Government.

Bishop CANNON. But she did not say so, Senator, as the Government could protect her.

Senator BRANDEGEE. But the paper meant something.

Bishop CANNON. It did. She went in contrary to the advice of her Government.

Senator BRANDEGEE. It meant that she did not have as much protection if she suffered damage as if she had not signed a waiver.

Bishop CANNON. It meant that she signed in advance.

Senator BRANDEGEE. It meant she had to sign a waiver.

Bishop CANNON. It did.

Senator BRANDEGEE. Then, she did not have as much protection as a man did who waived nothing.

Bishop CANNON. Because she was in more danger. The Government would not grant passports to France.

Senator BRANDEGEE. It might be that she ought to have more protection.

Bishop CANNON. Possibly so. I wanted my wife to go with me to France. They let me go twice, but they would not let my wife go.

Senator BRANDEGEE. I am not criticising you or your wife, but I was wondering if the attitude of the State Department was everything that an American citizen could desire.

Bishop CANNON. It seems to me it is at least in accord with their policy toward every woman.

Senator BRANDEGEE. I thought you said it was different because it was an exception, that they would not let other women go at all, but they let these go if they waived their rights.

Bishop CANNON. The other women could not go at all, and if these went they had to take an exceptional course.

Senator BRANDEGEE. An exceptional risk.

Bishop CANNON. Yes. And I want to say that the State Department was very much opposed to that, but the church boards felt it struck at the very root of missions if the missionaries were to be told that they could not risk their lives for their work.

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The CHAIRMAN. Do any of your ladies have to sign any waivers going anywhere in China?

Bishop CANNON. I think they would if conditions——

The CHAIRMAN. Well, I asked if they did?

Bishop CANNON. They have not because they are not asking to go into disturbed areas.

The CHAIRMAN. They have been; and men, too, have they not?

Bishop CANNON. Well, I do not know of any seeking passports recently.

The CHAIRMAN. Well, I am not speaking only of the recent days, but former days.

Bishop CANNON. Well, I can not tell you what had been the policy of the State Department back many years. I do not know.

The CHAIRMAN. You want to catch a train, I believe, Doctor?

Bishop CANNON. Yes, sir; I have no objections, though, to answering any other questions.

The CHAIRMAN. If you stay over, Doctor, and have anything additional that you would like to say we shall be glad to hear you.

Bishop CANNON. I have not anything further to say, but I would be glad to answer questions if the committee has any they desire to ask.

The CHAIRMAN. There will be some questions along the line of your examination, but as we have Dr. Inman here we can talk with him.

(Whereupon, at 5 o'clock p. m., the subcommittee adjourned to meet at 11 o'clock a. m. to-morrow, Wednesday, September 10, 1919.)

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INVESTIGATION OF MEXICAN AFFAIRS.

WEDNESDAY, SEPTEMBER 10, 1919.

UNITED STATES SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON FOREIGN RELATIONS,
Washington, D. C.

The committee met at 11.20 a. m., pursuant to adjournment, in room 422, Senate Office Building, Senator Albert B. Fall presiding.

Present: Senators Fall (chairman) and Brandegee.

The CHAIRMAN. The committee is in order. Let it be noted that Senator Smith is absent on account of illness.

Dr. Winton, will you be sworn?

STATEMENT OF DR. GEORGE B. WINTON.

(The witness was duly sworn by the chairman.)

The CHAIRMAN. Doctor, where do you live?

Dr. WINTON. Nashville, Tenn.

The CHAIRMAN. Are you one of the committee representing the League of Free Nations or associated with the League of Free Nations in Latin-America work?

Dr. WINTON. I became associated with the League of Free Nations about six weeks ago, I think, when I joined. I do not understand that they are particularly engaged in Latin-American work. You may be thinking about the Mexican committee, of which Dr. Inman spoke.

The CHAIRMAN. I ask whether you are a member of the League of Free Nations or an associated committee.

Dr. WINTON. Yes; I became a member of the League of Free Nations, and also became a member of their Mexico committee. That is the specific committee that I am connected with there.

The CHAIRMAN. You are mentioned in this letter, a letter received from Mr. McDonald, of the League of Free Nations, as one of the gentlemen they would like to have appear before the committee.

Dr. WINTON. So I understood. I got notice from them and left home very hurriedly without opportunity to provide myself with documents, and so forth, and I am afraid I shall not be of much assistance to the committee, as I have not been to Mexico recently; but I have for a long time taken an interest in the country.

The CHAIRMAN. Any documents you may desire to file with the committee you may mention now and send to us later.

Dr. WINTON. I will be very glad if the committee will put among its papers a report on educational conditions in Mexico, of which I have a copy here that I can not leave with the committee because it

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belongs to the bureau of education. They were kind enough to lend it to me, that I might have it on exhibition here.

The CHAIRMAN. We will be very glad to have that.

Dr. WINTON. I might say I have written a couple of books on Mexico, but two of them were by request. I want that to stand in the record, too.

The CHAIRMAN. Would you like to file those books?

Dr. WINTON. Well, if the committee feels that it would like to have them in its library, I will be very glad to do so.

The CHAIRMAN. We will be glad to have you file them.

Dr. WINTON. I do not want Dr. Inman to get too much over me in propaganda of his book, although I am afraid that mine are not so interesting as his.

The CHAIRMAN. You say you have had some experience in Mexico. Do you prefer to make a statement in your own language at the present time, or do you prefer to have questions asked you?

Dr. WINTON. Well, I should make only a very brief statement. I was acquainted with Mexico, became acquainted with Mexico first in 1884. I went there four years later, in 1888, and remained in the country and on the border for about 14 years, until 1902. I have made repeated trips to the country since then; I don't know how many, but the last one in the spring of 1917, more than two years ago. Since then I have read, of course, pretty industriously, and written somewhat, and in recent years, since it was possible to do so, I have been getting regularly daily papers from Mexico, and I try to read every day, and in that way keep myself in touch with affairs there. I have a good many correspondents down there, also, I may say.

During the period of my residence I was rather unusually well favored, I may say, in my opportunities to get in contact with the Mexican people. My work as an educational missionary put me in touch with the classes that the missionary agencies must reach, the poorer and ignorant classes, but by various happy accidents I became also well acquainted with what are usually spoken of as the well-to-do people. I knew Gov. Carlos Diez Gutierrez and Mr. Blas Escontria, then president of the State institute, afterwards governor, and also Don José Espinosa y Cuevor, also governor at a later date.

As a consequence of those associations and of my studies since then I have developed some very definite sentiments, I might say, and a few more or less pronounced opinions, and one of my sentiments is a sentiment of very strong friendship for the Mexican people. They appeal to me, and I have a number of very dear friends among them; and on that ground and on the ground of not favoring war anyhow, I am always at once aroused when I see, as I think, any danger of war with Mexico. I consider, as the outcome of my studies, that the population of Mexico is in many ways a superior population to those of most of the Latin American countries. The Indians of the country were in a better stage of civilization than even those of Peru, and, of course, far better than those that were found in what is now the territory of the United States. They make good material for citizens, in my opinion, and the mixture of the Spanish stock, of course, has strengthened the population, and I have always cherished the hope, and even the belief, that ultimately Mexico will be able to solve its political problem, and I

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have freely said, in referring to the matter, that I have considered that the continuous failure of the country up to the present was not so much the fault of the people as their misfortune. They had a long training, if you can call it that, under autocratic government. They had no training in democratic institutions. And yet, for reasons sufficient to themselves, perhaps in part because of their proximity to the United States, they are not willing to accept any form of government except the republican, popular democratic form. I am using all those adjectives, you understand, in their nontechnical sense.

Two or three attempts, as you know, have been made to establish monarchies and dictatorships there, and some of them have been temporarily successful; but the people seem infatuated with the idea of being a federated republic, and the first constitution which they adopted after they secured their liberty from Spain was largely taken from the Constitution of the United States, and they have kept to that model more or less during all these years, now nearly a hundred years.

Unfortunately, that was not a very good fit in Mexico. There was no foundation for independent sovereign States there such as the original colonies of this country supplied. They had been accustomed to a centralized government, and probably would have been better off with a centralized government. But unfortunately, also, the elements in the population that believed in a centralized government were those elements that were related to the old Spanish administration and were looked upon by the people who had fought for their liberty as reactionary; and so it has been a sort of touchstone of liberty in Mexico, to have a federated form of government.

I have watched their struggles during this century to establish themselves on a basis of self-government with very great sympathy, I may say, and do still. I do not think I need make any further statement than that except that I have felt, with others, that the exaggerated—if they are exaggerated—statements of disorder in Mexico, and of the weaknesses and failure of the administration there, have a tendency to make the impression on the mind of the average man that there is no remedy for the situation in Mexico, but that we must remedy it, and preferably and probably by force from the outside. That, naturally, I have deprecated and have tried to counteract.

The CHAIRMAN. Doctor, you speak of the population of Mexico generally. How many languages are spoken in that country, if you remember?

Dr. WINTON. There are a number of tribes of Indians who still preserve their aboriginal tongues. Some of them speak some Spanish and others almost no Spanish at all. I do not remember just how many there are. The number of important tribes is not great, but the number of unimportant tribes is still quite large.

The CHAIRMAN. I think the ethnological reports, even the more recent of those reports from the Smithsonian Institution, speak of 50 distinct languages in Mexico, as well as innumerable dialects.

Dr. WINTON. Yes; I think that is correct.

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The CHAIRMAN. Doctor, have you ever been in my State, New Mexico?

Dr. WINTON. Only in transit, I think, Mr. Chairman, on the railway.

The CHAIRMAN. You know, however, more or less of the history of my State?

Dr. WINTON. Yes, in a very general way.

The CHAIRMAN. You have met native people of my State, have you?

Dr. WINTON. No; I could not say that I have. I have known a few individuals, but it has just so happened that I have not had occasion to stop over in New Mexico.

The CHAIRMAN. What is your general impression or opinion as to the comparison between the people of New Mexico, the original stock of New Mexico, and the Mexican people, of whom you speak? You know that in New Mexico there are numerous Indian settlements?

Dr. WINTON. Yes.

The CHAIRMAN. What is your opinion as to the comparison of the population originally of the two countries?

Dr. WINTON. Well, I can only say that my general impression of the Mexican population on this side of the river might be expressed something like this: That the better families, the people of means and education have been to a large extent absorbed by intermarriage and other influences by the Americans. Others have not found it pleasant to live there under what they have thought of as a foreign government, and they have gone back, and there has been a rather overplus of the uneducated elements left, which is a hardly fair sample left of the total population of the Republic of Mexico, although undoubtedly, it is largely represented there too.

The CHAIRMAN. I call your attention to the original stock, as they must have existed say 60 years ago.

Dr. WINTON. I assume that the agricultural Indians of New Mexico were pretty much of the same people as the agricultural Indians of the plateau of old Mexico. That has been my impression in a general way.

The CHAIRMAN. We have some 19 Pueblos in New Mexico, the agricultural Indians, speaking nine different languages, and numbering altogether something like 20,000 souls.

Dr. WINTON. Yes. Is it not true that they also had reached a fairly advanced stage of social administration and personal character so to speak?

The CHAIRMAN. They certainly had when, from historical accounts, they were found by the Spaniards in 1541.

Dr. WINTON. Yes; and that was my point.

The CHAIRMAN. You know generally that the churches have extended their work among the native population of New Mexico and that work, of an educational character, has been carried on by the churches, and by the Government of the United States, among those people, do you not?

Dr. WINTON. Yes; so I understand.

The CHAIRMAN. We have at present, I may state for your particular information, two large Indian schools supported by the Government, one at Albuquerque and another at Santa Fe, and we have

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daily schools under control of the Government, a school superintendent in each of the Indian pueblos, as we call them.

Dr. WINTON. Naturally your educational movement there is in the direction of the teaching of the English language and the promotion of American citizenship and ideals?

The CHAIRMAN. Yes; and those Indians I speak of under the laws of the United States, as well as under the Spanish laws, are citizens, and they have the rights of citizens, including the right to vote and take part in all our public affairs in New Mexico. Has your attention ever been called to the fact that they decline to do so, that they have nothing to do with our political affairs at all?

Dr. WINTON. No; I was not aware of that. I might say that in connection with the work of my own church, part of my time has been spent in Texas, and we have made a distinction between the kind of work of an educational character which we do within the boundary of the United States and that which we carry on in Mexico, in the sense that we encourage the Mexicans who have made up their minds to live in the United States to become citizens and learn the English language and adjust themselves to the life of the United States and not try to preserve their nationalistic feelings or their language to any great extent.

The CHAIRMAN. I have often thought, Doctor, that those who were making a study of that kind might profitably spend some of their time in New Mexico, which has been a portion of the United States for 60 years now, and there you could study the progress, educational and otherwise, made by the Indians, and their character, their participation or nonparticipation, in the affairs of government locally and otherwise, their systems of agriculture and agricultural improvement, under aid from the United States departments now for 60 years, and in that way get a fair view of what we might expect of a civil population in old Mexico, even under the most advantageous circumstances.

Dr. WINTON. Yes. I might say that it has been the policy of my own church lately to concentrate more our efforts, our work, along the border, as you see by the map that was shown here yesterday.

The CHAIRMAN. You spoke of your very strong feeling and appreciation of the Mexican population of Mexico. May I ask you if those same sentiments are not common among all the Americans that know the Mexicans as you know them?

Dr. WINTON. I do not think that I have ever found an exception. I have often mentioned it in conversation, that anybody who lived in Mexico long enough to become really acquainted with the Mexican people, entertained sentiments of that kind. There is a fascination about the people; there is a fascination about the country topographically and geographically, and there is one about the people too, there is no doubt about that.

The CHAIRMAN. Do you think that the average American business man in Mexico entertains those same feelings for the Mexican workman and the Mexican population generally?

Dr. WINTON. Yes; I think the average Mexican workman considers the American boss the most desirable of all bosses. That has been my observation down there, and I have been greatly interested in the good will and active work of many business men who had affairs in Mexico and who had the interest of the people at heart.

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The CHAIRMAN. Do you know anything of the interest taken—whether there is any interest taken—by the Americans who are developing Mexico in educational affairs? I mean, in the public schools, in the municipalities in which their works are situated?

Dr. WINTON. I have heard comparatively little about that, because I have not traveled in Mexico much in recent years. While I knew the oil zone fairly before the oil developments, I have not been back since. I think it is 20 years or more since I was in that section.

The CHAIRMAN. Doctor, in so far as any privileges, protection, or assistance in your work directly go, what is, comparatively, the difference between the conditions existing now and those existing at San Luis Potosi under the governors whom you have mentioned?

Dr. WINTON. Well, none of our people have been hurt, and only once or twice, I believe, has anybody been put in jail. Conditions of travel, however, are very much disturbed and have been for some time past, and we do not feel the same security in going about as in the days of President Diaz. In my very early period down there, in the eighties, there was a great deal of brigandage, principally in the outlying districts.

The CHAIRMAN. Particularly on the border?

Dr. WINTON. Yes; on the border more than in the interior, although I knew the conditions more in Michoacan, Guanajuato, Aguas Calientes, and in the mountain districts there was always some feeling of insecurity.

The CHAIRMAN. Did you receive protection from the authorities in Mexico in 1884 and subsequent to that time in your work in the interior?

Dr. WINTON. Yes, sir; in the later eighties, after President Diaz came back to power in 1884, at the end of the administration of President Gonzales, there was from time to time a little disturbance because the evangelical work was pretty active and President Diaz always seemed to feel a little humiliated when there was a religious outbreak, so that he was very severe on those who precipitated such outbreaks, and in a secondary way that reacted in our favor. I do not think he meant to especially favor us, but he thought it was a reflection on the country to have an outbreak of religious persecution, so he was rather stern about it.

The CHAIRMAN. In his appointments to office, in his substituting one governor for another and making appointments for the jefe politicos in the different districts, in the different States, did he appoint Catholics generally?

Dr. WINTON. No. In those days he was a pretty vigorous Liberal, in the old definition of the word, and it was worth practically as much as a jefe's job was worth to allow one of these outbreaks to take place within his district.

The CHAIRMAN. Do you know whether President Diaz himself belonged to any order of which he could not be a member, and be a good Catholic at the same time?

Dr. WINTON. I had evidence that he belonged to the Masonic order.

The CHAIRMAN. The York Rite Masons?

Dr. WINTON. Yes. The question of the rites was a little confused in those days, but he was in an order that was in relation with the Masonry of the United States.

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The CHAIRMAN. In making his appointments he preferred to appoint Masons to office?

Dr. WINTON. I could not answer that from personal knowledge, but I suspect that was true.

The CHAIRMAN. Then you received as full protection under the Diaz administration as it was possible for it to see that you had?

Dr. WINTON. Yes. I think I can say very frankly that that was true, and it was very effective from about 1888.

The CHAIRMAN. You lived there and were intimately acquainted in Mexico until 1902, you say?

Dr. WINTON. Yes.

The CHAIRMAN. Did you take any notes of the progress of Mexico during those years in a business way, a commercial way?

Dr. WINTON. I could not say that I kept anything like a memorandum. I could not fail, from the ordinary point of view, to observe the great developments, so much so that when I prepared my first book on Mexico, I gave it the name of "A New Era in Old Mexico." I think I wrote that about 1905. That was just after coming out, when it was all fresh in my mind.

The CHAIRMAN. That is one of the books that you said you would file here, is it?

Dr. WINTON. I had not mentioned that as one I would file, because the others were written after that, but I should be glad to file the one just referred to also.

The CHAIRMAN. The committee would be glad to have it.

Dr. WINTON. It expresses a good deal of my sentiments in reference to the political situation at that time in a casual way. Of course, I did not go into politics seriously.

The CHAIRMAN. Now, Doctor, to get back to the population for a moment. Granting that there are 50 different languages spoken, different tribes of Indians forming the original stock, aside from the Spanish, and upon which the Spanish has been more or less grafted, what is your experience, or what has been your experience with those different tribes of the Indian native population and mixed population with reference to their forms of government and their sentiments generally? Do the tribes mix with one another or do they have their separate sentiments?

Dr. WINTON. Well, I can hardly claim to be an expert on the ethnology of Mexico. I studied it in an amateur way and observed a good deal. My impression was that the Indians of the central plateau, the real productive sections of Mexico, had become pretty thoroughly incorporated in the population and were a very important element of the population.

The CHAIRMAN. Just what part of that central plateau do you have reference to?

Dr. WINTON. I refer to the great corn-growing district that they themselves call the Bahia—Guanajuato and Michoacán and part of Jalisco and part of Hidalgo, etc.

The CHAIRMAN. And Bolson de Mapimi?

Dr. WINTON. No; not that section of Mexico, but the corn-growing section. The Mapimi section is dependent on irrigation, but the corn-growing section is not dependent on irrigation, although they irrigate to some extent.

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Now, in that section, which had been occupied by the Spanish settlements from the beginning, the Indians have lost their identity as Indians to a large extent. A man you might recognize as an Indian, and who calls himself and his friends call Indito, but he is a Mexican and merely one of the population and has more or less actual Indian blood.

The CHAIRMAN. They are all citizens under the Mexican constitution?

Dr. WINTON. Yes.

The CHAIRMAN. And all have an equal right to vote?

Dr. WINTON. Yes, so far as I understand. There may be some tribes in isolated districts that are not recognized as citizens. I am not positive on that.

The CHAIRMAN. The constitution makes them all citizens.

Dr. WINTON. I think that is correct; yes. In the isolated mountain sections, where the foreign influence has not sufficiently penetrated, I have occasionally encountered Indians who did not speak Spanish as well as I did, and I thought that was a pretty bad sign as to their knowledge of Spanish.

The CHAIRMAN. You have had much experience, have you, in the highlands, the mountains, and canyons of Sonora and Chihuahua and Sinaloa and Durango?

Dr. WINTON. No. I regret to say that that great mountain system up there is unknown to me as far as personal contact with it is concerned. I have always wished to travel in the mountains of Durango and Chihuahua. I know a great many men who have traveled there extensively. One of my sons was an engineer in the State of Durango, building an extension west from the town of Durango, some years ago, and he was a member of Gen. Pershing's expedition into Mexico, and in various ways I have formed opinions and ideas about that country, but I have never had personal knowledge of it.

The CHAIRMAN. The Indians with whom you were acquainted more particularly, as you say, were more or less amalgamated, and possibly to a greater degree amalgamated with the Spanish?

Dr. WINTON. Yes.

The CHAIRMAN. Than the Indians of the other sections?

Dr. WINTON. Yes; no doubt. The two pronouncedly Indian tribes with which I became most familiar were the Huastecas and the Tarascos.

The CHAIRMAN. Do you know from what original stock the Tarascos came? Were they similar to the Zapotecos?

Dr. WINTON. That is rather obscure, so far as my studies go. I have tried to follow the matter up when I visited them, and I was very much interested in the subject, but I was never able to secure any satisfactory literature on the subject. They were a strong, independent tribe—looked upon as a sort of kingdom by themselves in the days of Montezuma. They had their capital at Tzantzuntzan, on the lake of Patzcuaro. I have visited the place, and the story is a very interesting one.

The CHAIRMAN. They did not recognize the supremacy of Montezuma?

Dr. WINTON. No; but they were rather beguiled by the Spaniards and maneuvered into a treaty that did not redound very much to their advantage.

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The CHAIRMAN. They were allies of the Spaniards rather than of the Aztecs?

Dr. WINTON. I think so, in later developments.

The CHAIRMAN. Do you know what stock Benito Juarez was?

Dr. WINTON. He was a Misteca, one of the tribe of the State of Oaxaca. He is usually spoken of as a Oxacan, but the tribe he belonged to was a Misteca tribe.

The CHAIRMAN. He was supposed to be pure blood?

Dr. WINTON. I think there was no question that he was. He did not know the Spanish language until he was 14 or 15 years old.

The CHAIRMAN. Do you know what the Diaz Indian blood was?

Dr. WINTON. It was supposed to be about one-quarter, I believe, in Porfirio Diaz. It was really less than that. He was generally spoken of as a full-blood; but my own investigation led me to conclude that he was about one-sixteenth. The truth is that while he had some Indian characteristics, he came pretty near being a reversion to the old conquistador type.

The CHAIRMAN. What was the Indian stock?

Dr. WINTON. He was a Zapotec.

The CHAIRMAN. They were the allies of the Indians that the Spanish knew as the Tlascalans, who joined the Spanish at Vera Cruz?

Dr. WINTON. Yes; they were with the Spaniards. Marina, whom we know in history, was a Tlascalan and the interpreter and assistant of Cortes.

The CHAIRMAN. I am speaking of this because of your familiarity with it, and because it seems to me that these matters which we are discussing are not sufficiently taken account of in any attempts of the average American to write intelligently of the future of Mexico.

Dr. WINTON. Most men in these days look on the situation from the point of view of a mere superficial appearance, and you can not judge Mexico, as you can some other countries, by a mere superficial appearance. There are a lot of things that ought to be known to explain some things that exist there.

The CHAIRMAN. Were you ever in the Maya country, in that lower country?

Dr. WINTON. No; I do not know the Mayas.

The CHAIRMAN. Of course, we have the Mayas on the Rio Fuerte, on the west coast, who are first cousins of the Yaquis.

Dr. WINTON. Are they the same as the Mayas of the Yucatan?

The CHAIRMAN. No; they are different.

Dr. WINTON. I never quite had that matter cleared up.

The CHAIRMAN. Then, in your judgment, as I understand, to get an intelligent perspective of conditions as they exist in Mexico, and as to the future of Mexico, one must take into consideration the original stock and the people as they actually exist.

Dr. WINTON. You are almost quoting the words that stand at the beginning of this little book which I wrote about four or five years ago at the request of the missionary educational movement, for use in the study of Mexico by young people, in which I undertake to give the racial setting, and stating that nobody can understand the country without getting some insight into what the people of Mexico are.

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The CHAIRMAN. I am glad to know that, and I am sorry I have not had the privilege of reading your book; but I am glad to know that we very generally agree.

Dr. WINTON. I believe it is in this other little book that I made that particular assertion. This book is prepared in reference to education in Mexico and was written later, in 1915. "Any study of educational conditions in Mexico must take account of the racial history of the Mexican people." That is the first sentence in the book.

The CHAIRMAN. Something that is overlooked by many people?

Dr. WINTON. Yes. I put it strong.

The CHAIRMAN. Doctor, in about the first words of your statement you spoke of your feeling that war with Mexico must be averted if it is possible to do so. Is not that the general impression of all Americans who know Mexico?

Dr. WINTON. I think so, of those who know Mexico; yes.

The CHAIRMAN. Do you not think that the great majority of the Americans who have any knowledge of Mexico will go to almost any extreme to avert a war with the Mexican people?

Dr. WINTON. I hope that is true, and I think it is true. I have been quite horrified by the casual way in which men of average intelligence propose to make war on Mexico. It shocks me, always.

The CHAIRMAN. Has your attention been called to any distinction between the two lines of thought there, that some people may think that the only final solution of the Mexican problem is by some outside assistance in the shape of possible armed intervention, for the time being, and that spirit which is very often spoken of as the war spirit, a desire to bring on war with Mexico?

Dr. WINTON. Oh, undoubtedly. Undoubtedly there are people who are apparently honest who think that we could send troops into Mexico without bringing on a war with Mexico. I greatly doubt it myself, because the Mexicans are extremely sensitive, and they have a feeling of nationalism that would make any man who accepted such help as that be looked upon as a traitor by the Mexicans, a word that they object to very much. So even if a man might feel and think that way he would not venture to come out with it.

The CHAIRMAN. Would not dare to say so?

Dr. WINTON. No.

The CHAIRMAN. That is it exactly. That feeling is true of the majority of the Mexican people, who are quiet, law-abiding, working people, not politicians, at this time, is it not?

Dr. WINTON. Well, I think it is. I have been surprised at the extent to which that kind of thing prevails among what you would call the ignorant people of Mexico. They have a very definite sense of patriotism. Now, in the case of my own work, I had a school for a number of years there, and the boys, many of them quite poor, and I may say rather ignorant, when they came to me. Whenever we had any kind of public exercises in the school it was the patriotic note that always got the emphasis. It seemed to be instinctive with them.

The CHAIRMAN. Was that patriotic note in the old days struck by the Grito—the que viva la independencia?

Dr. WINTON. Yes. I was going to say that many of them do not know what kind of an animal independencia is, but they believe in it just the same, and it is very dear to them.

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The CHAIRMAN. About how many of the population of Mexico do you understand to have been engaged in this revolution?

Dr. WINTON. I think a high estimate would be about 2 or 3 per cent.

The CHAIRMAN. Considering all sides?

Dr. WINTON. Yes, sir.

The CHAIRMAN. Everyone under arms or in a turmoil or confusion?

Dr. WINTON. However, I think that the Madero movement appealed very largely to the sentiment of the country, and that the feeling that they must not submit to a military dictatorship has prevailed very largely even among those who have not been active one way or the other.

The CHAIRMAN. Did you have your attention called to the activities of what was known as the revolutionary junta, operating from this side of the line prior to 1906 and during the years 1906 up to 1910?

Dr. WINTON. No; I was not able to keep up with that. I was aware it was going on; but it was illusive, and I could not keep a line on it. I was pretty busy in those days.

The CHAIRMAN. Did you ever know the Magon brothers—Flores Magon and his brother Saravia?

Dr. WINTON. No. I knew of them, but never met them.

The CHAIRMAN. Did you meet Antonio Villareal?

Dr. WINTON. No; I never met him.

The CHAIRMAN. He was a member of that revolutionary junta.

Dr. WINTON. On this side?

The CHAIRMAN. Yes.

Dr. WINTON. I rather got into bad odor with some of my own friends as to my judgment about Mexico when I protested in those days that no movement of that kind could overthrow Don Porfirio as long as he choose to stay it. They said, "Well, you have been out of Mexico for 10 years and you do not know how things have changed down there." Evidently things had changed, and also it was evident that the thing that caused Don Porfirio to quit was the fact that the once efficient military machine that he had at his command had begun to disintegrate and become moth-eaten. Besides the old gentleman felt that there was popular talk against him and he said, "I have tried to do my best, and if you don't want me I am done."

The CHAIRMAN. He was quite old?

Dr. WINTON. Yes. He was at that time up in the eighties.

The CHAIRMAN. He was past 80.

Dr. WINTON. No; let me see. He was born in 1830 and was 80 years old in 1910. He was just about 80 at that time, then.

The CHAIRMAN. He was past 80 when he resigned.

Dr. WINTON. When he resigned; yes.

Dr. WINTON. I had several interviews with President Diaz, and came in very pleasant contact with him in different matters.

The CHAIRMAN. Of course, not having had your attention called directly to this work of the revolution junta, you would know nothing of their propaganda in Mexico?

Dr. WINTON. No. It is evident that there were some influences at work down there to undermine the authority of the Government as it was then. Just how it had been operated I had no means of knowing.

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The CHAIRMAN. You had no means of knowing whether that revolutionary junta was then or was later actively cooperating with the I. W. W. of this country?

Dr. WINTON. No; I knew nothing about that at all. I knew that Mr. Madero had some rather extravagant notions of a social and economic kind.

The CHAIRMAN. And do you know anything about the labor organizations of Mexico?

Dr. WINTON. Well, I can not say that I do. Of course, I have watched their development as one of the interesting phenomena of the social situation there, and they seem to have grown a great deal stronger within the last few years, so I would judge by my reading of the papers in Mexico and the reports of the activities of Congress and this and that and the other, and the statements and letters and manifestos of the politicians, and from them I got the impression that the labor movement is a pretty influential one at the present time in that republic.

The CHAIRMAN. Did you ever come in contact with Dr. Atl?

Dr. WINTON. No; not personally. Of course, I knew a good deal about him, but I never met him.

The CHAIRMAN. Do you know his name?

Dr. WINTON. No; and I have often wondered what that name might be.

The CHAIRMAN. His name is Murillo. Do you know whether this labor movement in Mexico, this so-called labor movement, that its organization was directed in any way from Barcelona, Spain?

Dr. WINTON. Well, I can not say that I know anything on the subject, but I have observed that on two or three occasions when the labor agitation took definite form, that there were Spanish leaders to such an extent that I thought in at least two or three instances that I had read—I could not put my finger on them—well, the Spanish were expelled under article 33 as being responsible for the disturbances.

The CHAIRMAN. That is a very interesting line, but as you say you have made no particular study of it, I do not know as we will pursue it further.

Dr. WINTON. It has been impossible for me, being outside of the country, to pursue it, and even if I had been in the country it would not have been easy.

The CHAIRMAN. And you know nothing of what the platform or the charter of the labor organizations in Mexico or any of them?

Dr. WINTON. I could not say that I do. I take it that the rather extreme articles on labor, in this new constitution, represent the efforts of the politicians to satisfy the ideals, let us say, of the labor leaders of the country.

The CHAIRMAN. And you know nothing about the history of the Red regiments who cooperated with Obregon?

Dr. WINTON. In Chihuahua and up through there, the Colorados, as they call themselves——

The CHAIRMAN. Yes.

Dr. WINTON. No; I can not say that I know much about them. I read about them and saw references to them, and I read his book.

The CHAIRMAN. You never saw these so-called insurgents or constitutionalistas, or whatever they call them, under arms?

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Dr. WINTON. Yes; I have been in Mexico off and on I do not know how many times, but I was there in 1916, when things were stirring around more or less.

The CHAIRMAN. Did you ever see the red flag used by them?

Dr. WINTON. No.

The CHAIRMAN. Doctor, reference was made by Dr. Inman yesterday to your having suggested a passage in his book with reference to the mining law of Spain and Mexico. Have you familiarized yourself to your satisfaction with the mining law?

Dr. WINTON. Well, I could not say that I have what I might call a satisfactory knowledge of it. Mining has, of course, been one of the greatest industries of the country, and great interests have been tremendously developed there, and the body of literature, legal and otherwise is large. I only got what I thought were some general outlines of principles, so to speak. I do not think that I could give my authority. I doubtless have somewhere among my books at home essays on the mining laws of Mexico, reports, or something of that kind, but this was a general statement that I gave to Dr. Inman, and I do not think that he asked for it, but I think that I told him that the Spanish Crown claimed those substances that could be listed in a general way as treasure of the subsoil. Now a list of those treasures——

The CHAIRMAN. Pardon me for just a moment for interrupting you. You do not recall where you got that expression?

Dr. WINTON. I could not say. I think probably from some of the yearbooks on Mexico. I have read it, I think, in Spanish and English both, and I did not think that there was any who doubted it.

It was those substances that could be listed as treasure of the subsoil as distinguished between the surface and the mineral rights.

The CHAIRMAN. Did you ever find that in the yearbook or any other library prior to 1910?

Dr. WINTON. I could not give you the dates on that subject, but the citations were made on the different decrees and laws. I think that the Crown decrees are still in existence.

The CHAIRMAN. Yes; they are, doctor, and I am going to call your attention to them.

Dr. WINTON. Yes; and I will be very glad to see them, because I do not pretend to have specific knowledge on the subject. But I think merely in a general way it referred to those substances, and they were held by the Crown, and I think that lists were made later, but I do not profess to be familiar with them, in a general way of the precious metals and stones and included some things, and some things were excluded, building stone, and sand, and so on.

The CHAIRMAN. Did you find that oil was included?

Dr. WINTON. That came along in the course of development; as I understand it, the first influence that brought these matters to the fore was that the framers of the new constitution were simply making an effort to include coal oil among the treasures of the subsoil. These rights of the Crown passed to the federation when the country became a Republic, I will say for the record.

The CHAIRMAN. Have you seen this article, Doctor, or the advance proofs or sheets from Oil, Paint and Drug Reporter, to which I called Dr. Inman's attention yesterday?

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Dr. WINTON. No; it was in my mail the day I left home, but I have not gone over it.

The CHAIRMAN. Now this is a study by Senor Joaquin Santaella, chief of the Mexican Petroleum Technical Commission of Mexico, and it is very interesting. It is along the line that you have just been calling our attention to. However, Mr. Santaella, in his discussion does not go back prior to the year 1761, and he commences his discussion——

Dr. WINTON. Is there not a decree or something earlier than that, about 1723?

The CHAIRMAN. Yes, sir.

Dr. WINTON. I know that I have the poorest head imaginable for dates, but it seems that I have a date in my mind, a date in my head, or I had a notion that there was a decree of about 1723.

The CHAIRMAN. In 1761 he says there were published at Madrid Commentaries on the Mining Statutes, by Don Francisco Javier de Gamboa, a leading jurist of Jalisco.

Dr. WINTON. That, I take it, refers to the mining statutes of New Spain.

The CHAIRMAN. de Gamboa's commentaries on the mining laws.

Dr. WINTON. Of the empire or of New Spain?

The CHAIRMAN. Both.

Dr. WINTON. But this man was writing from Mexico?

The CHAIRMAN. This man was writing his commentaries or discussion of the laws——

Dr. WINTON. Is not the author of that commentary writing in Jalisco?

The CHAIRMAN. The author of this commentary is Don Francisco Javier de Gamboa—the author of this here [indicating] is Mr. Santaella, who is now at the head of the Mexican Petroleum Technical Commission. He speaks in this of Mr. Gamboa, who was writing from Jalisco.

Dr. WINTON. He was writing from Jalisco, I understand.

The CHAIRMAN. And that was because this hemisphere had become the great treasure house of Spain?

Dr. WINTON. The center of mining interests, in other words.

The CHAIRMAN. And he refers to this commentary, and I suggest to you that you will find the translation of Gamboa's commentaries in Rockwell's Mexican Law.

Dr. WINTON. Rockwell's Mexican Law.

The CHAIRMAN. Yes; and they have it in the public library here and in many other libraries. Those of us who are lawyers in the Southwest, and who have studied not only the laws of our country but the laws of Mexico, have had to deal with the old Spanish law, are more or less familiar with Gamboa's commentaries, and those who have not had those commentaries have gotten them from Rockwell's translations. I notice in all the reports that Mr. Santaella made, and I may say that the same thing is true of the reports made by a similar commission, of the Republic of Columbia, and in other Latin-American States, that no one of them attempts to go beyond the mining ordinances, and almost any student, as yourself, for instance, I take it, would take up the study of the mining law from the mining ordinances of New Spain.

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Dr. WINTON. It indicates that there were some decrees antedating that.

The CHAIRMAN. Yes, sir. That is what I want to call your attention to, and that is where the mistake is made.

Dr. WINTON. Yes.

The CHAIRMAN. The general term, as Mr. Santaella states here, and it is used in his quotation from the fifth chapter of de Gamboa, he quotes:

1. The mines on the property of my royal Crown, both by their nature and origin as by their reunion as ordered by the Fourth Law, title 13, sixth book of the new revised code.

Dr. WINTON. Yes.

The CHAIRMAN. Now, the law referred to there is the old law of Spain of 1375, before the discovery of New Spain, and the law of 1559, after the discovery of this country, and the law which was passed to cover conditions existing in this country.

Dr. WINTON. Yes.

The CHAIRMAN. I have a little memorandum, merely a memorandum without going into the matter specifically and without giving pages, etc., which I prepared for the use of our State Department in connection with certain other matters in Latin-America and for the use of the Foreign Relations Committee.

Dr. WINTON. Yes.

The CHAIRMAN. Under law 1, adopted or decreed by Don Juan the First, in 1387, it is provided:

All minerals of gold, lead, silver, and every other metal whatsoever in our realms belong to us.

Now, Doctor, I will ask you to fix your attention on that expression. You know what the word "metal" is in Spanish—"metales"?

Dr. WINTON. Yes; they distinguished between "mineral" and "metal."

The CHAIRMAN. And the word is the same in both languages—"metal" in Spanish and "metal" in English, and "mineral" in Spanish and "mineral" in English.

Dr. WINTON. And they mean by "mineral" what we usually describe as "ore."

The CHAIRMAN. And it had been a question until there was a decision of a Pennsylvania court as to whether oil should be classed as a mineral. Of course, it is a nonmetalifferous mineral. The law referred to provides:

All minerals of gold, silver, lead, and every metal whatsoever in our realms belong to us.

That was the old original Spanish law of 1375, decreed by Jon, as he spelled his name at that time. That decree, doctor, I may say to you from my studies, applied to the crown lands and did not affect private property.

Dr. WINTON. Yes.

The CHAIRMAN. I know that it is rather a peculiar proceeding for a member of a committee to undertake to explain the law, but I want to impress upon you what I have attempted to get at.

Dr. WINTON. I shall be very glad to get it.

The CHAIRMAN. And they proceeded to make grants to various bodies, and to make numerous grants to the Catholic Church.

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Dr. WINTON. And did they withhold the mineral rights?

The CHAIRMAN. They did not.

Dr. WINTON. I see.

The CHAIRMAN. By a later law, of 1559, they commenced to operate under the old Spanish law of 1359, and they wrote into all the titles the reservations of the Crown to the metalifferous minerals.

Dr. WINTON. Yes.

The CHAIRMAN. I would say to you in passing that that was the same law that prevailed with Great Britain as to gold and silver, they were Crown minerals; and that no one acquired the right to the Crown land—anyone who did acquire that right did not acquire the right to the gold and silver. In 1559 and prior to that time the law of King John the First existed. In the year 1559 Phillip the Second, and during his absence the Princess Donna Joanna, issued at Valladolie, a decree, practically reincorporating into laws the law of King John, but going further and retaking from the land of private owners the mineral rights, the owners to be compensated for any surplus lands taken in operating mines and any injury done to their mines by such operation. The wording of this law, or decree, with reference to private land is as follows:

We reclaim, resume, and incorporate in ourselves and in our Crown and patrimony all mines of gold, silver, and quicksilver—

They still held the title to the metalliferous metals to the Crown lands, and they retook from the clergy and notables to whom they had some of the grants of the Crown land, the rights to minerals, of gold, silver, and quicksilver. Never did they undertake by any decree whatsoever to assume control of anything which Gamboa calls sedimentary deposits, and which he instances by iron and things of that kind. They did go so far as to say that copper was a by-product, and always was silver, gold, and lead directed as one of the Crown metals, but no further.

Dr. WINTON. Yes.

The CHAIRMAN. This decree says:

We reclaim, resume, and incorporate in ourselves and in our Crown and patrimony, all mines of gold, silver, and quicksilver in these, our kingdoms, in whatever parts or places they may be found, whether the estates of the Crown or of the nobility, or clergy, or belonging to the public, or to townships, or vacant lands, or in the estates, and portions, and lands of individuals, notwithstanding the grants which by ourselves or by the kings, our ancestors, have been made to any and all persons whatsoever, of whatever state, rank, and dignity they may be, etc.

Only once was any question ever raised as to nonmetalliferous minerals——

Dr. WINTON. Pardon me for interrupting you, but what is the date of that decree?

The CHAIRMAN. 1559.

Dr. WINTON. 1559?

The CHAIRMAN. Yes, sir. That was the first applied to New Spain, and in 1761 it was amended, and in 1769, as referred to by Mr. Santaella, there was adopted the ordinances regulating the methods of mining, the methods of denunciation of mines, the making of claims for mines, the method of drainage of mines, the government of the Indians and the workmen in the mines, but that simply refers to the mines?

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Dr. WINTON. Yes.

The CHAIRMAN. And does not grant or undertake to make any other reservation but that made in the former decree.

Dr. WINTON. And the application of that then would depend, I take it, somewhat upon an analysis of the title in 1559?

The CHAIRMAN. In 1821 Mexico took the law of Spain, with the ordinances, and adopted a new law, in 1821, and incorporated into the Mexican law all the Spanish laws with reference to mines, including the ordinances with reference to mines, but never from that date down to the present time, except with reference to one coal mine, has there been any reference or any attempt to change the law. Now, the attempt is to go back and by reading all ordinances regulating the workings of the mines, to claim that under those they have the right—they have a legal right to reserve the right to minerals.

Dr. WINTON. And that limitation of the three metals pertained to private property at the time of the decree.

The CHAIRMAN. Only to metalliferous minerals, we claim——

Dr. WINTON (interrupting). Yes; I understand that.

The CHAIRMAN. There was an effort made at one time by Spain, shortly before the freedom of the colonies was finally gained by them, and a successful effort, of course, to reserve on certain public lands certain deposits of iron, the lands, however, belonging to the State, that is, to the Spanish Crown, certain deposits of iron and certain deposits of coal for the use of the Spanish Navy, but that was a reservation made of the minerals in their own lands and not in private lands, but lands belonging to the Crown. No one doubts that they could do that. The United States Government can pass title to land in the United States, reserving the hydrocarbons if they choose to do so. Spain and Mexico can do that, but there is a mistaken idea engendered in the discussion by Mr. Santaella as to what the Spanish law was, and that is the matter that——

Dr. WINTON. It is true in a general way that the minerals of Mexico have not been developed on the theory of the ownership of the central Government——

The CHAIRMAN. The metalliferous minerals?

Dr. WINTON. Yes, sir.

The CHAIRMAN. Certainly.

Dr. WINTON. And you can see how the average layman, like myself, gets but a general idea——

The CHAIRMAN (interrupting). Exactly; and that is the reason that I have been saying this.

Dr. WINTON. And you pay as a mining operator in Mexico royalties, rather than taxes, and I think you have eminent domain there——

The CHAIRMAN. Yes; the individual has eminent domain there.

Dr. WINTON. Which makes it a liberal law.

The CHAIRMAN. But the owner of the surface in Mexico, obtaining his title from an owner, or obtaining his title from the Mexican Government itself, prior to any law being passed by the Government reserving coal, takes the coal, but he does not have the metalliferous minerals. That is the distinction——

Dr. WINTON (interrupting). Yes.

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The CHAIRMAN. And it is exactly such a misunderstanding as this that has been on the verge of causing trouble between this country and Mexico.

Dr. WINTON. Is it not true, however, that because of this the subject in the new constitution, which is more or less clumsy and ill-advised, that it is the object to perpetuate this general principle in regard to the subsoil?

The CHAIRMAN. No; and I would say that if it was, I as an American, would have no objection to it, or to anyone in Mexico, if it was an effort to perpetuate the same law——

Dr. WINTON (interrupting). And perpetuate that principle, applying it to a substance not known at the time of the original decrees.

The CHAIRMAN. There is no doubt of the right of the Government to apply it to its land, but not to that of others.

Dr. WINTON. I think myself that if land had been acquired on the basis of the laws existing at a certain time of the Government the conditions at the time the title was given must be respected, and in Mexico the Mexicans, the intelligent Mexicans, have assured me always that that was the feeling in Mexico, that that doubtless would be the interpretation Congress would put upon the constitution when it did pass that law.

The CHAIRMAN. I am informed by rumor that Congress is contemplating the passage of some law of that kind. But that does not obviate the difficulty, because the law may be amended or it may be repealed or changed the day after.

Dr. WINTON. The Senate committee had brought a petroleum law, so I understand, and there were some energetic objections to the effect that certain members of the committee were interested parties, and they withdrew it.

The CHAIRMAN. No American doubts the power of the Mexican Government to reserve petroleum in the public lands of Mexico, but we do doubt the right of the Mexican Government, constitutionally or otherwise, to take away what has once been granted, just as England doubted the right of the United States to take the lands of the Tories after the treaty of peace with the United States, and compel them to recognize their rights and to go into a future treaty guaranteeing them absolutely.

Dr. WINTON. Yes.

The CHAIRMAN. Doctor, this $400 fund mentioned by Dr. Inman yesterday, coming to the League of Free Nations from some former body, do you know anything about that?

Dr. WINTON. I know merely the general story. About 1915 or 1916 a Mr. Paul Kennedy, of New York, a friend of mine who has interested himself in international and other matters, consulted me as to the possibility of organizing a sort of association of the people who had a friendly feeling for Mexico and try to do something to better conditions in Mexico in a quiet way. I do not know exactly what he called the association, but it was the Association of the Friends of Mexico, or something like that. Now, I have always made it a rule to engage at once with people who were working for the same thing that I am, so I went in with him. He worked on it pretty industriously until the Great War broke out, and then he became a war worker, and he laid aside this other matter, and he had a fund amounting to about $400. I did not know that the fund

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existed until about six weeks ago, when while in New York we were discussing the matter of trying to do something, and he mentioned the fact that he had the money then. He had been so busy with other matters. At about the same time we came into contact with the League of Free Nations Association, which was contemplating a study of the situation of Mexico, and the members of this old association came along and voted this money to the League of Free Nations.

The CHAIRMAN. Do you know who was associated in that Kennedy movement?

Dr. WINTON. No; I could not tell you. It was a somewhat loose organization, and he was practically the active force in it, but no doubt there are lists of its members, and I think I have his letterhead, etc., and could get you the letterhead list out of my files at home, but I do not recall just who they were. Some of them were members of a previously formed committee headed by Dr. Dabney, president of the Cincinnati University. That committee had interested itself wholly in educational matters. It was for it that I prepared this report on conditions in Mexico.

The CHAIRMAN. Was it in connection with this movement, or any other movement of that character that you heard of, or came into contact with Dr. Atl?

Dr. WINTON. No; I do not think he had intervened in any of those, so far as I know. What did you say his name is?

The CHAIRMAN. Murillo. Do you know Dr. David Starr Jordan?

Dr. WINTON. I think I met him casually once, and I have had a very little correspondence with him from time to time. Of course we all know who he is.

The CHAIRMAN. And you do not know anything about any committee which Dr. Jordan and Amos Pinchot and Mr. Storey were members, Moorfield Storey?

Dr. WINTON. Well, I do not know which committee that is. I know there was a little activity along in 1916, perhaps, on the part of Dr. Jordan and some other people.

The CHAIRMAN. Do you know Dr. Henry Lane Tupper?

Dr. WINTON. No.

The CHAIRMAN. Did you hear of him in connection with Dr. Jordan?

Dr. WINTON. I do not recall that I connect the two. I remember some of Dr. Tupper's writings on Mexican affairs only in a general way.

The CHAIRMAN. Yes. Have you had your attention called to the activities of Drs. Jordan and Tupper along the border at El Paso?

Dr. WINTON. I knew that Dr. Jordan went to El Paso once and met a committee of some kind. I never was able to get the story of what took place, but there was some episode that was more or less interesting and exciting, but I do not know the history of it.

The CHAIRMAN. I wanted to ask you if you knew of his denunciation of Americans along the border as poltroons and the fact that he and Dr. Tupper were invited by the mayor to cease their activities——

Dr. WINTON. I knew there was something of that kind, but I never got any definite news in regard to what it was.

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The CHAIRMAN. Doctor, sometimes those of us who take an interest in matters of this kind are misquoted or misunderstood, and something we say is garbled, and sometimes we are quoted correctly. I have had handed me by counsel here an article from the Bloomfield (Mo.) Vindicator, of August 29, in which you are quoted by Dr. J. M. King from an article in the St. Louis Christian Advocate. Have you had your attention called to this publication in the Vindicator?

Dr. WINTON. No.

The CHAIRMAN. I will hand it to you before I ask you anything about it, in order that you may see the quotation.

Dr. WINTON. That seems to be a correct quotation.

The CHAIRMAN. It appears from this publication that you wrote an article entitled "Pernicious Propaganda," which was published in the Christian Advocate?

Dr. WINTON. Yes, sir.

The CHAIRMAN. In the course of this article, quoting from your article in the Christian Advocate, you say:

> But Mexico is not in a state of chaos. On this point a lot of lying has been done, and it is still going on. It is widely asserted, for example, that even now the Carranza government controls only a third of Mexican territory. As a matter of fact, it controls it all. There are bandits in various places where the rough nature of the ground aids them.

Is it your opinion that the Carranza government controls all of the country of Mexico except merely the rough places?

Dr. WINTON. We might differ, perhaps, as to the definition of the word "control," but as far as administering any kind of government and the general direction of things, I think that is my impression of the situation.

The CHAIRMAN. That is, so far as there is any government in Mexico, you think it is represented by Carranza.

Dr. WINTON. Yes.

The CHAIRMAN. Doctor, do you know whethere there have ever been any State constitutions adopted in the several States of Mexico since Carranza's recognition by this Government?

Dr. WINTON. I am not sure as to constitutions. I have seen some reference to the discussion of constitutions, and there have been, I think, once or twice, some things promulgated by a military governor, but I am not informed on that question.

The CHAIRMAN. Are you aware of the fact that Carranza, by decree, set aside the State constitutions of Mexico prior to his recognition by this Government?

Dr. WINTON. No; I did not recall that particular decree. There was a period in which he held that governmental functions of the country were all in his own hands as executive of the preconstitutional government, or in the preconstitutional period—I forget just the exact phrase.

The CHAIRMAN. You are aware of the fact that he set aside and changed things in Mexico and created new States or new political divisions by decree?

Dr. WINTON. No; I was not aware of that.

The CHAIRMAN. You recall the provision of the constitution which he claimed he was fighting to sustain by which the national govern-

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ment is limited absolutely with reference to State line or the creation of new States?

Dr. WINTON. Yes; I think there is such a provision.

The CHAIRMAN. You are not aware of the fact that he destroyed that provision and had created new political subdivisions by decree?

Dr. WINTON. I remember that one of the previous territories is now called a State, but other divisions I have not been informed about. I had always been a little hazy as to what was going on in the peninsula of Yucatan. They have a territory there, and there are some subdivisions of it that I do not understand very well.

The CHAIRMAN. Doctor, at the election following the resignation of Diaz, and during the ad interim government when Madero was a candidate and he and Piño Suarez were finally declared elected president and vice president, respectively, do you know whether there were State elections held at that time for the election of governors of the different States?

Dr. WINTON. No; I do not recall that detail. I kept up more or less carefully—the best I could—through the press with what was going on, but that particular point has escaped me.

The CHAIRMAN. Do you recall whether there was a congressional election held at the same time?

Dr. WINTON. I recall there was a congress sitting during the period of Madero.

The CHAIRMAN. Do you know whatever became of the Congress that was elected at the time Madero was elected?

Dr. WINTON. No; there was a great deal of confusion in that period when Madero was substituted by Huerta, and I have not the details of that at hand. I just know it in a general way.

The CHAIRMAN. You do not know whether Carranza ever recognized any governor elected during the Madero régime or whether he ever recognized a congress elected during that time?

Dr. WINTON. No; I can not say that I know that. My impression is that pretty much all the governors agreed to the intervention of Huerta, and the fact that Gov. Carranza, as he was then, started a movement against Huerta put him rather against the rest of the governors. How many there were, as I said, I do not remember now.

The CHAIRMAN. There were no governors at the time of the death of Madero in any of the States that had not been elected and had not been friendly to Madero, were there?

Dr. WINTON. I think that is correct. They were all of the Madero party, so to speak.

The CHAIRMAN. And Mr. Carranza raised the standard of revolt because of the death of Madero and Piño Saurez?

Dr. WINTON. Yes; primarily that.

The CHAIRMAN. I notice you state that there are a few rebellious Indians in the State of Sonora and a few others in Oaxaca, both of them remote and mountainous States. "All together it amounts to about what Sitting Bull's rebellion did on our own western frontier." Is that your idea of the condition in Mexico now?

Dr. WINTON. I confess I do not know very much about Sonora, but down in the interior of Mexico, where I used to live, it seemed to me a long way off. You know there is not much transporting across those mountains up there, and those disturbances among the Indians

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of Sonora always seemed to us of that type. There would be an outbreak from time to time.

The CHAIRMAN. If you confine that statement to the disturbances among the Yaqui Indians in the State of Sonora, I would say unhesitatingly that I agreed with you.

Dr. WINTON. That is what I had in mind.

The CHAIRMAN. But I think the inference that would be drawn is that Villa or Felix Diaz, whom you mentioned here later, are operating in Sonora alone, and that there are some outbreaks among the Indians there and that conditions in Mexico, generally, are comparable with the conditions in the United States during the Sitting Bull outbreaks.

Dr. WINTON. I probably was not altogether clear in what I said, but what I meant to say was that the Indian outbreaks were of that type.

The CHAIRMAN. Do you know where Felix Diaz is operating, or is supposed to be operating?

Dr. WINTON. He has been mostly in Vera Cruz in the last few months, as I understand it.

The CHAIRMAN. Do you know anything about the conditions in the State of Chiapas?

Dr. WINTON. No, sir; they have been very obscure to me. I could not get any light on Chiapas, and have not for a long time.

The CHAIRMAN. Do you think that Morelos and Guerrero are quiet?

Dr. WINTON. I have been told that Gen. Gonzales was operating in Morelos and has changed his activities to the southern part of Puebla and Oaxaca and has been leaving Morelos alone for some time and my Mexican friends, with whom I have corresponded, say that those States are quiet.

The CHAIRMAN. Do you know anything about conditions that have prevailed in Oaxaca generally?

Dr. WINTON. No, sir; I simply know that the Oaxaca Indians have been rather restless and seem so to be still, but the Government is in control of the capital and has been opening up that railway and has kept it running.

The CHAIRMAN. You mean the road out of Guadalajara?

Dr. WINTON. No, sir; into Oaxaca. I do not know just how it runs now.

The CHAIRMAN. You have not had your attention called to the fact that the Government of the State of Oaxaca declined to have anything to do with the revolutionary movement against Carranza and declined to recognize Carranza and proceeded to operate and function as a State Government with a State legislature in its regular course?

Dr. WINTON. It seems to me I did see something of that. When was that?

The CHAIRMAN. In 1915.

Dr. WINTON. That is my recollection.

The CHAIRMAN. Do you know Aguilar?

Dr. WINTON. No, sir.

The CHAIRMAN. Do you know Candido Aguilar?

Dr. WINTON. Yes, sir.

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The CHAIRMAN. You do not understand that the recent movement you have heard in the State of Oaxaca was an attempt to oust the government, which is claimed to be the State government of Oaxaca, and put it back under Carranza's rule?

Dr. WINTON. As to that, I have not been very clear. I know that Gen. Gonzales has recently taken charge down there in that section, and I gathered from the best evidence I could learn that it was simply to pacify the Indians and get them lined up with the central government if possible.

The CHAIRMAN. You do not know anything about the governor of Oaxaca, regularly elected, and the State legislature?

Dr. WINTON. No, sir; I am not posted about those matters. I have no means of knowing except from Mexico City papers.

The CHAIRMAN. I am questioning you about it because of the statements made in this article.

Dr. WINTON. You know how we make wholesale statements when we are writing and making speeches.

The CHAIRMAN (reading):

> Any man who now says that rebels control two-thirds of Mexican territory is either a liar or an ignoramus—probably both.

That is one of those statements that I suppose we would make in making speeches?

Dr. WINTON. Yes.

The CHAIRMAN. Doctor, have you served on any other committees investigating educational affairs and others in Mexico than those which you have mentioned?

Dr. WINTON. I am not sure whether I got it clearly into the record that I was a member of the committee that Dr. Dabney headed. That was the first one I was connected with.

The CHAIRMAN. Did you serve on any committee with which Mr. Edward Doheny was connected in any way?

Dr. WINTON. The Dabney committee was mostly made up of college presidents and men of that type, not famous for their wealth. and they secured some money. I was at that time asked by them to do this special bit of investigation, and I was paid by this committee during the time I was doing it, in the summer of 1915. Later I learned that the source of the money was Mr. Doheny. Either he paid it personally or it came through his organization. I never was informed on that point. I was at first largely in the attitude of an employee of the committee, though my name appears on the list of members of the committee.

The CHAIRMAN. Was there any attempt made at that or at any other time by Mr. Doheny or anyone associated with him to influence your activities or your report in any way?

Dr. WINTON. None whatever; I had the cooperation of several men that I did not altogether agree with, and we fought over things, but it was merely matters of that kind. I was very glad to have them. There was a Mr. Chavez, for example, whose name you will find here in this book [indicating] at the bottom of various pages in footnotes. I was very glad to have his cooperation. He had been an active educational man in Mexico under President Diaz, and sometimes did not take quite the same view of things I did.

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The CHAIRMAN. You can understand my object. There has been a great deal of criticism of the American business men and the Americans in Mexico, and the American oil men. They have been accused of being engaged in propaganda of what you would consider an improper kind, to say the least. Among them there has been mentioned Mr. Doheny. You have served on a committee financed by Mr. Doheny, and I simply wanted to know of you, in fairness to him, whether there has ever been an attempt made to influence your activities or to influence the report which you have made.

Dr. WINTON. Not the slightest. As a member of this committee I was left with absolutely free hands. This report is practically verbatim as I wrote it, with a little introduction prepared by Dr. Dabney and an afterword written by him and a few notes inserted by others who examined the manuscript and cooperated with us to that extent. I was not interfered with in the least in expressing myself with perfect freedom.

The CHAIRMAN. From your experience on that committee, it would lead you to believe that some American business men, at any rate, are perfectly fair in their treatment of Mexican questions?

Dr. WINTON. Yes. I rather regretted when I learned later that the committee of Mr. Doheny had not continued to operate—I do not know whether he is here or not, but I may say in his hearing that I was very strongly tempted to go and have an interview with Mr. Doheny myself——

The CHAIRMAN. If you will allow me to express myself personally, I personally regret that you did not.

Dr. WINTON. Some folks are afraid of rich people and some others are not.

Mr. DOHENY. If I may say something at this time, let me state that I am very sorry that the committee could not have continued its work and that the doctor could not have been a continuous member of it. I will explain, if I may, just why the committee did not continue its work. I would certainly have been glad if it had continued its work with Dr. Winton and with all members of it. What I have heard of Dr. Winton and what I have myself heard from him this morning leads me to say that I am sure he is the kind of man that would be qualified to give a report on Mexico.

The CHAIRMAN. I am glad to hear that expression from Mr. Doheny. I was entertaining the same sentiments and guessing at what I would undertake to say would be Mr. Doheny's sentiments from not quite a lifetime personal knowledge of him, but from rather an intimate association with him since 1888, at any rate. I know that after hearing you this morning he would have been glad to have continued association with you.

Dr. WINTON. He had equipment for doing some things that I could not do, and I found that he had somewhat the same sentiments toward Mexico that I had.

The CHAIRMAN. Doctor, one of my associates on the committee is ill and unable to attend the meeting—Senator Smith; and Senator Brandegee has been compelled to go on the floor of the Senate for a little while. I have, personally, nothing further to ask you. I thank you very much, sir, for your appearance here and for the information you have given us. If you have any further statement to make we will be glad to hear you.

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Dr. WINTON. I might say just one word, Mr. Chairman, before I leave the stand.

In deprecation of misunderstandings among those of us who are interested in Mexico, you will find among other things that I have written phrases that seem to point in the direction of a charge that there are persons interested in promoting intervention, and that they are active. What I wish to say in regard to that is that the weakening of the hands of the Mexican Government in the present juncture by painting very gloomy and exaggerated pictures of social and economic conditions in Mexico, creates the impression in the mind of the average man that the only way it can be remedied is by armed intervention. That is how it arises that sometimes the phrase is used that those who speak and write against Carranza are speaking and writing in favor of intervention. It is not a charge that they are intending to do that, necessarily; it is simply qualifying the outcome of their work. I am obliged to say that I have had a good deal of experience in that line, and I am afraid that is the tendency of it.

You know, of course, in a popular uprising, such as that which has taken place in Mexico, a great deal of scum comes to the surface, and even a man like Gen. Alvarado ventures to suggest phases of the situation which make it look very dark. There are naturally, however, many other phases, and Bishop Cannon comes forward stating that the situation is very good.

My own hope is that the present organized Government may be stabilized in some way and that it may be transferred to the hands of another man when there is another election, without any serious fighting among the Mexicans themselves, and certainly without an act on our part which would result in war with Mexico.

I am very apprehensive when any armed movement takes place, because I know the nationalistic pride of the Mexican people, and I feel that there is always danger in a thing of that kind. We sometimes say that people who are opposing the present Mexican Government are working for intervention. My Mexican friends are very generous, usually, when they refer to things of that kind, and charge them up to the expatriates, as they call them. I know a great many people who were connected with the old administration and are now in a sense exiled from Mexico. They are often very admirable and attractive people, and no doubt are quite influential in this country and Cuba and in other places.

There has been a revolution. The wheels can not be turned back. It is not probable that a military dictatorship would succeed now, because even Gen. Alvarado, although he paints a dark picture, winds up with the condemnation of Carranza because he is dictatorial. We can all see the disease, but it is not so easy to put our fingers on the remedy. We can all agree in that statement.

The CHAIRMAN. Along that line, I think that it is proper—I am probably not using the correct word—what do you think of the policy of sending out to the church people, the Christian people of this country, a statement that recently missionaries met in the City of Mexico, that they went there from all points of the compass; they entered Mexico from various dirctions; that they proceeded to the city, arrived there with no untoward event—I believe that is the wording of it—and accompanying that by statements with reference to these very overexaggerations which you refer to and by state-

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ments that Mexico's condition is improving and that the Carranza government is in control, not stating that the missionaries who went there, went there under armed guard, preceded by armed trains? Do you not think that if we are to tell the truth, we should tell all the truth?

Dr. WINTON. Oh, undoubtedly. A statement of that kind is necessarily brief. I am sure that these people——

The CHAIRMAN. Pardon me; it is not necessarily brief if it is embodied in a book of several hundred pages?

Dr. WINTON. No; but the statement published from Mexico City was brief, necessarily. It was intended to be merely a very short resolution expressing the experiences of the men and women who went there. These individuals have frequently spoken and written, as I understand it, about the condition prevailing there. It seems to be a matter of common knowledge that there are military trains now with most passenger trains on the Mexican railroads.

The CHAIRMAN. Have you read a recent article from a paper published in Mexico called the "A. B. C." with reference to conditions?

Dr. WINTON. No, sir; I see reference to use the A. B. C. every day in my Mexican papers. I am only getting one at present, and that is Excelsior. I have never secured any copies of A. B. C. Just at the present time I have no friend in Mexico City to send it to me.

The CHAIRMAN. I have a quotation here from the A. B. C. The publication itself you might not consider very authoritative, but there is no doubt of the fact that the translation and the quotation from the A. B. C. are correct. I have read it in the original. For your thought I will read it now. This is the issue of July 26, 1919. As you know, A. B. C is published in Mexico City:

Before examining the forms of intervention, one by one, we will glance at the present state of our society in relation to said intervention.

The prolonged civil war in which our people have been sunk now more than eight years, the deep divisions existing between all Mexicans, the lack of hope for a political and social regeneration, the physical and moral bankruptcy of the nation, the total disappearance of the cult of heroes, the lack of an eminently religious spirit, the slight confidence or lack of confidence in public servants, the absence of justice, the almost complete lack of respect for private property, and the lack of vested interests, unfortunately has brought about the result that no less than 80 per cent of the inhabitants of the Republic look at intervention with indifference.

Perhaps upon reading this some chauvinists will call us unpatriotic; but this is the truth supported by practical proof. When society had not yet come to the moral weariness which it feels to-day, and to the corruption that is now defiling us, the Americans retained in their power the port of Vera Cruz, overran the whole State of Chihuahua in a warlike way—in the face of indifference of the Mexican nation.

But there is something graver still which must be stated with all civic valor: Ninety per cent of our educated class which has come to the conclusion that there is no salvation for Mexico except through influence, would look at intervention, sad to say, almost with pleasure. Our present moral state is far from that of heroic Belgium or of patriotic France, which gave the blood of their intellectuals to save national sovereignty.

When such articles as that are printed in the press of Mexico City and such letters as that of Gen. Alvarado are given publicity, do you wonder that statements corresponding in some degree are made here in the United States press?

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Dr. WINTON. It is perfectly natural, of course. These are gloomy critics. The Latin has a tremendous power of caustic criticism. If they were as able in reconstruction and constructive work as they are in criticism, they would be very successful in all their affairs.

The CHAIRMAN. That is the point, exactly that has struck so many of us: "If they were as able in reconstruction as they are in destruction."

Dr. WINTON. I may say that in my own paper for some little time—which is rather an antiadministration paper, by the way—I find a great deal of evidence that the agitation in this country is very faithfully reproduced in Mexico City and is impressing the people there and they are beginning to be quite anxious, quite interested, at least. That was really the point of Gen. Alvarado's letter. He wanted to stop them from troubling themselves with political affairs and to see the gravity of the international situation.

I have prepared here a little memorandum which I sent out to the committee of the League of Free Nations. I do not know whether they ever made any use of it or not. If the committee cares for it, I shall be very glad to leave a copy.

The CHAIRMAN. We shall be very glad to have it, Doctor.

Dr. WINTON. It is entitled "How intervention looks to the Mexicans." It is simply an impression that I get from this paper. I have here also resolution, being the action of the Partido Liberal Constitucionalista and Related Groups, taken at a public meeting, Mexico City, August 24, 1919. It is a rather free translation, but I am willing to say that this gives the substance of it.

(The memorandum referred to, entitled "How intervention looks to the Mexicans," and the resolution referred to, are here printed in full, as follows:)

HOW INTERVENTION LOOKS TO THE MEXICANS.

For several months the leading papers in Mexico City have made a point of keeping in touch with affairs in the United States. They have alert correspondents in New York who cable translations of all important matters pertaining to Mexico. Ambassador Bonillas sends a daily telegraphic report to his Government of what is said in Congress and in the press, and this also is furnished the Mexico City papers.

As a result the people of Mexico are well advised of the persistent propaganda in this country in favor of armed intervention. The threat made by our Secretary of State of a "radical change of policy" puzzled and alarmed them. When soon afterwards a troop of cavalry accompanied by airplanes was sent into Mexico in pursuit of bandits, the impression naturally followed that intervention had begun. Only in this way could they explain the words and acts of our Government.

Now, in spite of all the talk about their raiding across our border, their confiscation of our properties, their love of Germany and hatred of us, the Mexicans greatly dread a conflict with the United States. They continually speak of it as a "menace," a possible "calamity," a "disaster." They cherish no illusions as to the relative strength of the two countries. Yet they hold any Mexican a traitor who is not ready to fight, even in a losing struggle, and to fight to death. This is the gist of the speeches made at two public meetings held in Mexico City on Sunday of the week our troops were in Mexico. One was called by an influential political party, the other by leading professional men of the capital.

At the same time those in attendance on these meetings agreed that everything possible ought to be done to avert an armed conflict. Both asked by formal vote that congress hurry forward the framing of a petroleum law, and that the said law make a point of enacting that article 27 of the new constitution is not retroactive, thus guaranteeing all legitimate property rights. The general feel-

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ing apparently was that while nothing humiliating ought to be done or agreed to, all real cause for complaint on the part of Americans having interests in Mexico should be removed.

Both meetings, also, by formal vote, asked the President of Mexico to publish all correspondence between his Government and that of the United States in regard to the various matters in controversy. One of them urged that the Senate appoint an investigating committee; another that a commission be sent to the United States with the purpose of bringing before the "intellectuals" there the real situation in Mexico, explaining to them the true sentiments of the Mexican people toward their neighbor country.

During the excitement which arose over the pursuit by American Cavalry of bandits in Mexican territory many individuals and groups throughout the country took occasion to send messages to President Carranza, assuring him of their adhesion and support. In fact the episode came to be quite a unifying influence. The opponents and critics of the President have agreed to postpone their activities, and the two houses of Congress show a disposition to stop playing at politics and give their attention to needed legislation. The present Congress, which passed from a special to a regular session on September 1, is more favorable to Carranza than that which preceded it. But even now there is so much jealousy as to the respective prerogatives of the Executive and the legislature that both houses rather take pleasure in balking his plans. In view of the troubles he has had, first with the constitutional convention and later with two successive congresses, the popular notion which blames Carranza with everything that has happened in Mexico is not without humor. As well hold Wilson to account for Lodge or Fall.

When the American troops crossed the river, the Mexico City papers printed the news with great headlines. Everybody jumped to the conclusion that it was a formal invasion and meant war. Early one morning at one of the stands in the market a woman was reading aloud to a group who had come to buy provisions. A few men were in it, but mostly it was women—poor women. At the news of impending war they began to weep. Nobody knows better what war means than the Mexican women. But as the reading went on and the danger to their country was set forth, they began to dry their eyes on their rebozos, and one of them said, angrily, amid general approval, "If the Yankees come, we women will fight, too."

These two extremes, the "intellectuals" in their Sunday meeting and the poor women in the market place, seem fairly representative of Mexican sentiment. It is practically unanimous in the resolve to make a bitter fight against foreign aggression. There are probably a few tepid patriots who would welcome a protectorate. There were in 1847, when we invaded Mexico, and again in 1864, when the French Emperor intervened. But the masses of the people, while deprecating the fate which should thrust them into an unequal conflict, are set in their determination to fight. They will resist, as one orator put it, till their country is destroyed rather than see it handed over to alien control.

Resolved, 1. To urge on Congress that as among the subjects it has pending to give preference to legislation in regard to petroleum and other matters involved in article 27 of the constitution. At all costs this law should recognize rights previously acquired, whether by Mexicans or others, and declare that no provision of the said article is retroactive.

2. That there should be introduced in one of the Houses of Congress and pushed through to enactment a law providing indemnities for damages suffered by reason of the revolution, since the present law does not command popular confidence and is evidently defective.

3. That by means of special legislation a fund be created to cover these claims for damages, and that once the amount of them is adjudicated they be counted as a part of the national debt.

4. That Congress be requested to advise the Congress of the United States of these laws when passed, as a proof that Mexico extends the fullest possible protection to the legitimate rights and interests of foreigners.

5. To urge upon the Senate that it request the President to furnish full information of all negotiations he has had with the Government of the United States in regard to the various causes of the present strained relations between the two countries. Also that it secure a complete list of all Mexicans killed or wounded in the United States during the last six years.

6. To secure action by Congress urging the President to publish all correspondence with the United States since 1915, with regard to outrages on Mexican citizens in the United States and on Americans in Mexico. This will serve

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to quiet the national alarm and will enable the Senate to aid more adequately the Executive in connection with his weighty responsibilities.

Dr. WINTON. I will leave also, if you care for it, the action of the League of Mexican Students addressed to the Students' League in the United States. It is in the original Spanish.

The CHAIRMAN. We shall be very glad to have that left with the committee.

Dr. WINTON. This [indicating] is the report that I made to the Doheny committee, and this [indicating a book] is the study I made of the subject. A later edition has been brought out, and I will supply copies.

The CHAIRMAN. If you will do so, the committee will be very glad to pay you for it, Doctor. They do not want you to pay for it.

Dr. WINTON. I shall be very glad if I can see you and your colleagues reading my books.

The CHAIRMAN. I have a telegram here, Doctor, that counsel has suggested that you may know something about. Do you know anything about any subsidy to a school at Piedras Negras granted by Gov. Carranza?

Dr. WINTON. I can not say that I know anything worth while about it, except that it has frequently been stated publicly that he did grant subsides to this work of Dr. Inman there. It was a school and reading room and lecture room and a lot of things like that that he called the people's institute.

The CHAIRMAN. That was an institute under the charge of Dr. Samuel Guy Inman who testified here yesterday?

Dr. WINTON. Yes, sir.

The CHAIRMAN. Do you know the amount of the subsidy granted by Mr. Carranza?

Dr. WINTON. I do not. I have a sort of vague impression that it was about a hundred dollars a month in Mexican money.

The CHAIRMAN. The statement is made in the telegram that it was a hundred and fifty dollars a month.

Dr. WINTON. That is probably correct.

The CHAIRMAN. Do you know whether that school is still in operation?

Dr. WINTON. As Mr. Inman explained yesterday, his board is abandoning that section of the Republic in favor of my board, and we are in the stage of negotiation just now, trying to arrange for the perpetuating of their work and for their taking over our work farther down.

The CHAIRMAN. In those negotiations has your attention been called to this subvention?

Dr. WINTON. That is a matter of more or less common knowledge, because our school at Saltillo received one also, in view of the fact that it was preparing teachers.

The CHAIRMAN. What is this subvention received by your normal school?

Dr. WINTON. It is not receiving it now, but it was. I believe, too, Gov. Miretes has restored it. It was $100 a month. You are aware, of course, that the matter of titles to property for church affairs in Mexico is a very complicated one, and that delays our arrangements for exchange. The boards look at matters in a very

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direct way. They say, "We have got a good piece of property, worth so much, here, and you have got one worth so much over here." It is a simple enough matter to them, but when you go down and try to arrange how best you can go before the Mexican legal situation it is not so easy. We do not know just how we are going to be able to work all those problems out.

The CHAIRMAN. The statement, however, of Dr. Inman's school receiving assistance from Gov. Carranza might be of interest, in view of the provision of the Mexican constitution, which prohibits any minister or other person connected with a school taking part in political affairs?

Dr. WINTON. Yes; those are new provisions. Nobody has got very well adjusted to it yet.

The CHAIRMAN. Dr. Inman's testimony yesterday that he has been assured by Mr. Carranza that he would not be interfered with you can corroborate. That is, you have that general assurance from the Mexican Government?

Dr. WINTON. So far as I know we have not been parties to seeking any such assurance as that. My advice to my people—I have not been officially active in the matter—has been simply to get a reasonably fair interpretation of what these provisions mean and then conform to them. Just what they mean, of course, is open to question, until they are more or less defined by statute. The restriction in regard to schools pertains to primary schools, only, which would seem to leave the way open for normal schools and high schools. Even then there is a prohibition against a minister teaching in them, and we do not know just where the thing will go. Part of the school property in Mexico has been held by boards of missions in the United States on the basis of a law that pertains to foreign corporations. They are ecclesiastical bodies, of course, and under the Mexican law, they do not have exactly the same status as, for example, an order of the Roman Catholic Church. The thing has been allowed to drift along that way. The effort of the Mexican Government has been to provide an effectual separation between church and State, and they have put in a good many laws and provisions with that in view. When they meet that, they do not need to meet those other things. It is in some degree a matter of construction.

The CHAIRMAN. Did you have any subvention from the governor of San Luis Potosi when you were working there?

Dr. WINTON. No, sir; my work was wholly carried on by my missionary board. The government was friendly and exempted the property from taxation, as I recall, but that is all.

The CHAIRMAN. I called Dr. Inman's attention yesterday to the treaty between the United States and Mexico in which the right to worship by the two peoples of the two countries was guaranteed. Have you had occasion to look into the treaty of 1831, followed by that of 1848 and 1854?

Dr. WINTON. No, sir; I regret to say that I have never made any careful study of those treaties. They contain a good many interesting clauses, by the way.

The CHAIRMAN. I will say to you that there was a question which arose in 1860 and 1865 with reference to the reciprocal rights of

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Americans in Mexico under those treaties, whether they were guarded as specifically as the rights of the Mexicans residing in this country. That treaty was construed by Benito Juarez in the treaty of 1859, which was ratified by his government but never ratified by the Senate of the United States. However, he adopted a protocol explaining that the Mexican Government had always understood the same guarantees to apply to Americans in Mexico as were specifically applied to Mexicans in the United States.

Dr. WINTON. There were only two very slight restrictions that I recall affecting my status as a minister. One was a restriction against open air meetings, and the other was a matter of clerical dress. I had a clerical vest when I went down there and I bundled it up in the mail and sent it to my brother. I was very greatly relieved, because it had been given to me and I never did like to wear the thing.

The CHAIRMAN. That is all, Doctor. Thank you.

I would suggest, if it would suit you just as well, that we recess now for lunch and that you meet us at half past 2.

Dr. McDONALD. Very well, sir.

(Whereupon, at 1:20 o'clock p. m., the committee took a recess until 2:30 o'clock p. m.

AFTERNOON SESSION.

The committee met at 2.30 o'clock, pursuant to the taking of recess.

STATEMENT OF JAMES G. McDONALD.

(The witness was duly sworn by the Chairman.)

The CHAIRMAN. State your full name, residence and occupation, if you please, Mr. McDonald.

Mr. McDONALD. James G. McDonald, 103 West Forty-second Street, New York City; Chairman of the League of Free Nations Association.

The CHAIRMAN. Do you prefer, Mr. McDonald, to make a statement rather than simply reply to questions?

Mr. McDONALD. If I might, I would be glad to just read a portion of the statement which I have prepared, just a half page or so of this, first.

The CHAIRMAN. Just suit yourself about the course you desire to pursue.

Mr. McDONALD. I will not bother you with reading the whole thing. In this statement I have merely tried to point out in a brief paragraph what the League of Free Nations Association is and how it came to be. It was an association formed a year ago this fall; that is, in November of 1918, as the result of a series of study conferences held weekly in New York and participated in by 40 or 50 editors and publicists and students of international politics during the summer and fall, and in November of last year they formed this Association, on the basis of a statement of principles which had nothing specifically to do with Mexico at all, but a statement of principles which they believed ought to underlie the possible settlement and what they want—some sort of new form of world organization

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to remove the causes of war and to build up closer and more friendly relations between nations.

The members of the executive committee are enumerated here on this first page, with just a word as to who they are; and the members of the national council of this association are indicated on the second page.

This association did not take an active interest in Mexico, certainly did not take an interest to the extent of forming a subcommittee on Mexico, until the end of last July. At the meeting of the executive committee on July 25, I believe it was, it was decided to organize a small committee on Mexico, with a view to studying conditions there and giving publicity to the truth about economics and social development there since Diaz's régime.

The members of the Mexican committee are indicated here on the rest of this second sheet.

The program of this Mexican committee is summarized on the third sheet.

The immediate program is, first, syndicating gratis daily and Sunday feature material to the press throughout the country, presenting fact statements of actual conditions in Mexico.

Second, cooperating with societies throughout the country interested in justice for Mexico.

Third, preparing for a Mexican conference in New York City, and urging the holding of similar conferences elsewhere.

Fourth, arranging, in cooperation with other societies, for a mass meeting at Madison Square Garden.

Fifth, acting as a medium for the creation of a commission of five or six nationally known and representative Americans, to investigate and report on actual conditions in Mexico. This commission will probably leave about October 2.

Sixth, studying the situation from every angle, with a view to aiding in the formulation of a Mexican policy, at once economically sound and socially justifiable.

This commission will probably leave about October 2, study the situation there thoroughly, with the idea of aiding, as I have stated.

By the way, before I forget it, I would like to have noted that Mr. Inman's title on page 2, as a member of our Mexican committee is given here incorrectly. His exact title, I take it, will appear in yesterday's proceedings. It is executive secretary of the committee on cooperation in Latin Americia.

We respectfully suggest to the Senate subcommittee that the following individuals be asked to testify with reference to Mexican conditions. Leo S. Rowe, of the Treasury Department; Bishop Francis J. McConnell, of Denver, Colo.; Dr. H. S. Chester, Secretary of the Southern Presbyterian Mission Board; Dr. A. W. Halsey, of the New York Presbyterian Board; Ross A. Hadley of the Friends' Mission Board, Indiana; David Lawrence of the New York Evening Post; Prof. Joseph Chamberlain, of the Columbia University.

This association will be glad at any time to supply to the committee an auditor's statement showing receipts and expenditures since the conformation of the committee on Mexico, or, if you wish,

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since the association was formed; names of all contributors will be gladly supplied.

I would like to add here this statement to my formal statement.

We respectfully suggest that the Senate Foreign Relations Subcommittee ask a similar auditor's statement from the National Association for the Protection of American Rights in Mexico.

The CHAIRMAN. In this last statement you suggest, by making the request you have, that there is some antagonism between the work of your committee and that of the last committee to which you have referred, the Committee for the Protection of American Rights.

Mr. McDONALD. I am not conscious of any antagonism, sir.

The CHAIRMAN. The request is made of the committee that we should request the committee on the protection of American rights in Mexico to file an auditor's statement of their expenditures, following a statement that you are prepared to file an auditor's report of your expenditures, and that rather suggests that you thought one committee was laboring along one line possibly, and another on another line.

Mr. McDONALD. Well, they are both interested in Mexico, Mr. Chairman.

The CHAIRMAN. The committee is glad to have your suggestions, of course, and the committee for the protection of American rights, or any other responsible committee or persons' suggestions with reference to its investigations, and would take such suggestions under proper consideration.

You state, Mr. McDonald, that you expect the committee or a subcommittee of your Mexican committee to leave about October 2, for the study of actual conditions in Mexico.

Mr. McDONALD. Yes; not a subcommittee of our committee, really, but acting merely as a clearing house for the formation of this group.

The CHAIRMAN. It will leave about October 2 for the study and report upon actual conditions in Mexico?

Mr. McDONALD. Yes, sir.

The CHAIRMAN. That is under the fifth head?

Mr. McDONALD. Yes, sir?

The CHAIRMAN. Who will form that committee?

Mr. McDONALD. The committee is not completed, but Bishop McConnell of Denver will probably be one member of the committee; Royal S. Davis, of the New York Evening Post, a second member; and a Mr. Taylor, whose initials, I think, are J. S., representing the Friends of Philadelphia, a third member. The other members have not yet been selected.

The CHAIRMAN. Have any approaches been made to the Mexican officials with reference to the visit of this committee to Mexico?

Mr. McDONALD. None at all, sir.

The CHAIRMAN. Mexico has not been notified of your intentions in this matter?

Mr. McDONALD. No, sir; except as they would receive notification through a circular letter which went out to our members. That is, there are no Mexican officials members of our association. They may know of this plan through that general letter, but we have had no official communication.

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The CHAIRMAN. Do you forward to Mexico, through sources in this country, transmit to Mexico the work of your committee, as evidenced by bulletins, circulars, letters, and statements, etc., which you are sending out in this country?

Mr. McDONALD. I do not know what our Mexican mailing list is. I presume our Mexican correspondent receives all our our material. Certainly we receive material from Mexico City.

The CHAIRMAN. Who is your Mexican correspondent?

Mr. McDONALD. Mr. George F. Weeks.

The CHAIRMAN. And his location is what?

Mr. McDONALD. He is editor of the Mexican Review.

The CHAIRMAN. Where?

Mr. McDONALD. Mexico City.

The CHAIRMAN. You have referred to La Revista Mexicana. You state here, first, that you are engaged in syndicating gratis daily and Sunday feature material to the press throughout the country, presenting fact statements of actual conditions in Mexico. What method do you pursue of ascertaining the truth of the facts contained in the statements which you are syndicating?

Mr. McDONALD. We get the best evidence available to the members of committee or other people whom we consult in New York or elsewhere.

The CHAIRMAN. Your committee are James G. McDonald, chairman; Rev. Henry A. Atkinson, and others whose names you have given, whom it is not necessary for me to repeat now. How often does your committee meet?

Mr. McDONALD. Our committee has met actually since its formation was authorized, on July 25—I think its first meeting was perhaps July 29—it has met, I should say, three times, or possibly four times since then.

The CHAIRMAN. Has the material which you are sending out been submitted to your committee at any meeting?

Mr. McDONALD. Not all of it.

The CHAIRMAN. Has any of it?

Mr. McDONALD. Yes, sir.

The CHAIRMAN. What has been submitted to your committee among your material?

Mr. McDONALD. That would involve a detailed knowledge of each thing we have sent out, sir, and I am not prepared off hand to tell you, because we have sent out a good many things. I would be glad, if there is any question as to any specific matter, to answer you.

The CHAIRMAN. I will take it up in more detail. I have here, under the caption "Free service—The League of Free Nations Association, New York—Release on receipt," an interview given by Engineer Joaquin Santaella, Chief of the Petroleum Section of the Mexican Department of Industry, Commerce, and Labor, translated from Excelsior, of August 14, 1919. Was that submitted to your committee?

Mr. McDONALD. I do not know, sir.

The CHAIRMAN. What method did you pursue before sending this out to ascertain the facts set forth, the truth of them?

Mr. McDONALD. We sent it out as a statement of the head of the Mexican Technical Commission, presuming, as an official document, it would set forth the truth.

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The CHAIRMAN. You caused no investigation to be made of either the law or the facts or the statements set forth in it?

Mr. McDONALD. Well, the material was prepared by certain members of the committee, who presumably knew.

The CHAIRMAN. Who prepared it; what members of the committee prepared this particular document?

Mr. McDONALD. That particular document was edited, I think, by De Bekker.

The CHAIRMAN. Who is Mr. de Bekker?

Mr. McDONALD. Mr. de Bekker, to the best of my knowledge, sir, was a correspondent in Mexico for the New York Tribune, returned in May and resigned from the Tribune. Formerly he was what you call editor of secondary news for a number of years on the Evening Post; and prior to that he was with the Herald, I believe, and possibly with some other New York paper.

The CHAIRMAN. Do you happen to know whether Mr. de Bekker is a lawyer?

Mr. McDONALD. I have a very definite impression that he is not, sir.

The CHAIRMAN. This article, then, was suggested to you by Mr. de Bekker, brought to you by Mr. de Bekker, or prepared for you by Mr. de Bekker?

Mr. McDONALD. I do not know how the thing came into the office. It was suggested to me by Mr. de Bekker, yes, and issued on the responsibility of the person who prepared it.

The CHAIRMAN. De Bekker?

Mr. McDONALD. No; Mr. Santaella.

The CHAIRMAN. This appears to be a reprint from the Excelsior?

Mr. McDONALD. Yes, sir.

The CHAIRMAN. Who obtained it from the Excelsior and presented it to you?

Mr. McDONALD. I presume it came from Mr. Weeks along with other material. I do not know about that. I say that because we get the Excelsior occasionally, but we have not any complete file.

The CHAIRMAN. Did you give any personal attention to this article before sending it out?

Mr. McDONALD. I glanced it through.

The CHAIRMAN. Are you now familiar with the contents of it?

Mr. McDONALD. No, sir.

The CHAIRMAN. As nearly as you recall now, it was only passed upon by Mr. De Bekker?

Mr. McDONALD. It was passed upon by me before it went out, but I did not go through the thing thoroughly, and I am not thoroughly acquainted with it now.

The CHAIRMAN. That is your custom in sending out your material, is it?

Mr. McDONALD. Some material, yes.

The CHAIRMAN. It was in this case, at any rate, the procedure which you followed?

Mr. McDONALD. Yes, sir.

The CHAIRMAN. I have here advance proofs from the World Tomorrow, the League of Free Nations, New York, "The Truth About Mexico." Who prepared that article?

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Mr. McDONALD. That article was written by Mr. Norman Thomas, the editor of the World To-morrow.

The CHAIRMAN. Who called attention to it?

Mr. McDONALD. Mr. Thomas talked the thing over with me before he prepared it, and said he would like to have our judgment on it before he set it up, and I read it before he set it up, and after it was set up we thought we would like to send it out.

The CHAIRMAN. Who thought?

Mr. McDONALD. I should say in this case it was submitted to the members of the committee, and I think the committee very generally felt that it ought to go out.

The CHAIRMAN. That was submitted, then, to the Rev. Henry A. Atkinson, Prof. Joseph Chamberlain——

Mr. McDONALD. No; it was not submitted to the full membership of the committee. It was submitted to the members that I could get over the phone. It was submitted to Mr. Kellogg, I believe.

The CHAIRMAN. Paul Kellogg, editor of the Survey?

Mr. McDONALD. Yes, sir; and also submitted to Mr. de Bekker.

The CHAIRMAN. Yes——

Mr. McDONALD. And probably those are the only two members of the committee besides myself.

The CHAIRMAN. I notice in this article reference in these words:

> This testimony is supported by the Protestant missionaries who work in Mexico, by that trained and impartial observer, Mr. de Bekker, and by the simple fact that the Mexican official commission on financial reorganization turned to America for nine of its expert advisers.

This is the Mr. de Bekker to whom this article was submitted, among others, is it?

Mr. McDONALD. Yes, sir.

Senator BRANDEGEE. The chairman being interrupted a moment, I will ask you a question or two. You spoke of having got these gentlemen over the phone. Did you get them together so that they sat together?

Mr. McDONALD. Not in connection with this.

Senator BRANDEGEE. The article was sent to each one of them?

Mr. McDONALD. Yes; it was sent; but I mean that just those two gentlemen gave their opinions before the thing was sent out.

The CHAIRMAN. Mr. Thomas, you say, wrote this article?

Mr. McDONALD. Yes, sir.

The CHAIRMAN. And he is the editor of The World To-morrow?

Mr. McDONALD. Yes, sir.

The CHAIRMAN. What has been Mr. Thomas's attitude, if you know, during this war which is just over?

Mr. McDONALD. I don't know, sir, except very casually. As a matter of fact, I don't know Mr. Thomas at all personally, or did not know him until the last two or thre months.

The CHAIRMAN. You do not know whether his leanings were pro-Ally or not?

Mr. McDONALD. I do not know whether they were pro-Ally or not; no, sir.

The CHAIRMAN. You have only known him very recently?

Mr. McDONALD. Very recently; yes, sir.

The CHAIRMAN. You have had not reason to think that his leanings were pro-german?

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Mr. McDONALD. No, sir.

The CHAIRMAN. You have not made an investigation along that line, have you, Mr. McDonald?

Mr. McDONALD. No, sir.

The CHAIRMAN. He simply called this article to your attention and you took it up with Mr. de Bekker and Mr. Kellogg, of the committee, and you agreed that it should be passed out?

Mr. McDONALD. Well, Mr. Thomas was very strongly recommended to us as an honest man by friends in Philadelphia, in whom we have confidence; but about Mr. Thomas's war record I know nothing of my own knowledge, sir.

The CHAIRMAN. Who recommended Mr. Thomas to you?

Mr. McDONALD. Mr. Harvey, of the Society of Friends in Philadelphia, and Mr. Taylor, that I spoke of a moment ago, and he is very prominent in what is called the Young Friends' Movement in the Society of Friends.

The CHAIRMAN. I have here, under the caption—

Free Service—The League of Free Nations Associations, New York—Release on Receipt—Crops for the Year 1918 in Mexico.

Who prepared that article?

Mr. McDONALD. I can not answer, sir, except that Mr. de Bekker has had general charge of publicity material, and I should say that he prepared it.

The CHAIRMAN. Did you pass upon it?

Mr. McDONALD. In a casual way only, sir.

The CHAIRMAN. Did you undertake to check it up to ascertain the truth?

Mr. McDONALD. Personally I did not.

The CHAIRMAN. Did you present it to any other members of your committee?

Mr. McDONALD. No, sir.

The CHAIRMAN. Did you authorize Mr. de Bekker to send it out, or did you send it out yourself?

Mr. McDONALD. I do not know quite what to say to that, because, of course, neither he nor I actually sent it out. It was sent out by the outer office, but Mr. de Bekker probably asked me whether it should go and I probably told him yes.

The CHAIRMAN. What do you mean by the outer office?

Mr. McDONALD. Where the mailing and sealing is done.

The CHAIRMAN. That office does not just pick up stuff?

Mr. McDONALD. No. I mean that Mr. de Bekker told them to do it, but practically I told him to go ahead.

The CHAIRMAN. But it was not passed on by any committee?

Mr. McDONALD. No, sir.

The CHAIRMAN. Have you reported to your committee what you were sending out?

Mr. McDONALD. The committee received everything.

The CHAIRMAN. I understand they received everything, but I asked you whether you made any report to them as to what you sent out?

Mr. McDONALD. Yes, sir.

The CHAIRMAN. Have you a copy of that report?

Mr. McDONALD. You mean a formal writen report?

The CHAIRMAN. Yes, sir.

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Mr. McDONALD. No, sir; we do not make a formal written report.

The CHAIRMAN. I note here: "Free service. The League of Free Nations Association, New York. Release on receipt. Huerta and Revenge, by L. J. de Bekker." Presumably that was prepared by Mr. de Bekker?

Mr. McDONALD. He signed it, sir.

The CHAIRMAN. Who sent it out?

Mr. McDONALD. Our association, sir.

The CHAIRMAN. By whose order?

Mr. McDONALD. By my order, as far as there was an executive order.

The CHAIRMAN. Was that presented to any of the members of your committee?

Mr. McDONALD. Not in advance of its being sent out.

The CHAIRMAN. I have here:

Free service. The League of Free Nations Association, New York—Release on receipt—Weeks versus Creel.

Do you recall that article?

Mr. McDONALD. Yes, sir.

The CHAIRMAN. Who prepared it?

Mr. McDONALD. If it is the article I have in mind it is an extract—may I ask whether that is the exact title?

The CHAIRMAN. Yes. I will read the first part of it so as to refresh your memory:

Mr. George Creel, lately chairman of the committee on public information, but who has not been in Mexico recently, has been writing about the oil situation there, apparently on second-hand information. Mr. George F. Weeks, lately of the Committee on Public Information, who has spent a quarter of a century in Mexico and is there now, and is in close contact with the Petroleum Technical Commission of the Mexican Government, differs from his former chief, both as to facts and the inferences drawn from them.

The League of Free Nations Association, which desires only that the truth about Mexico be known, offers the following excerpt from a letter from Mr. Weeks to help clarify the situation.

Mr. McDONALD. I presume the rest of that is from Mr. Weeks's article in La Revista.

The CHAIRMAN. "But," you say, "there is an official record of the amount of oil shipped by each company of its value and of the export taxes paid thereon. For 1918 it was as follows."

Now, what was the source of your information on this subject—just the Weeks letter or the article in La Revista?

Mr. McDONALD. That I can not answer.

The CHAIRMAN. You do not know who prepared this, then?

Mr. McDONALD. I presume Mr. de Bekker prepared it.

The CHAIRMAN. Was it presented to any member of your committee?

Mr. McDONALD. No, sir.

The CHAIRMAN. And you did not check it over yourself?

Mr. McDONALD. No, sir.

The CHAIRMAN. It was sent to the outer office or handed to the outer office by yourself or Mr. de Bekker to be sent out?

Mr. McDONALD. Presumably by Mr. de Bekker; yes, sir.

The CHAIRMAN. I have here:

Free service—The League of Free Nations Association, New York—Release on receipt—Improved conditions in Mexico.

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Do you recall that article?

Mr. McDONALD. I recall it in a very general way, sir.

The CHAIRMAN. Who prepared it?

Mr. McDONALD. It was prepared precisely as the last one, I take it; that is, by Mr. de Bekker on the basis of information he had.

The CHAIRMAN. And submitted to any member of your committee?

Mr. McDONALD. No, sir.

The CHAIRMAN. Verified in any way by yourself?

Mr. McDONALD. Not personally; no, sir.

The CHAIRMAN. And sent out as the other material was sent out, either handed in by Mr. de Bekker or yourself?

Mr. McDONALD. Yes, sir.

The CHAIRMAN. I have here:

Free service—The League of Free Nations Association, New York—Release August 30, 1919—Small-town stuff, by Kincheloe Robbins.

Do you recall that article?

Mr. McDONALD. I recall the title, simply, sir.

The CHAIRMAN. It was sent out by your organization?

Mr. McDONALD. Yes, sir.

The CHAIRMAN. Do you know who prepared it?

Mr. McDONALD. I presume Mr. de Bekker did.

The CHAIRMAN. Then Mr. de Bekker sometimes signs other names, does he?

Mr. McDONALD. Well, may I see it?

The CHAIRMAN. Certainly. You sent it to me, Mr. McDonald.

Mr. McDONALD (after examining the paper handed him). I confess I do not know who Mr. Kincheloe Robbins is. It may be Mr. de Bekker.

The CHAIRMAN. Did you ever read it before?

Mr. McDONALD. No.

The CHAIRMAN. Do you know anything about it at all?

Mr. McDONALD. Only what I have seen now.

The CHAIRMAN. Did you know it had been sent out?

Mr. McDONALD. Yes.

The CHAIRMAN. Then you have seen it before?

Mr. McDONALD. Yes, sir; I had seen it before; I had not read it before.

The CHAIRMAN. It was not presented to your committee?

Mr. McDONALD. No.

The CHAIRMAN. Who presented it to you when you saw it before?

Mr. McDONALD. I remember once seeing it, after the thing was printed; and Mr. de Bekker may have shown it to me before.

The CHAIRMAN. You only saw it after it was printed.

Mr. McDONALD. I may have seen it before; I don't remember.

The CHAIRMAN. It was sent out from your outer office, having arrived there in the usual course?

Mr. McDONALD. It was sent out by us; yes, sir.

The CHAIRMAN. Which you have described?

Mr. McDONALD. Yes, sir.

The CHAIRMAN (reading):

Reprinted from the New York Sun, Tuesday, August 26, 1919—United States prepared to run Mexico as it did Cuba—Intervention plans complete as to land and sea operations—Country is helpless—Bankruptcy and confiscation of

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foreign property unescapeable—Special dispatch to the Sun—Washington, August 25.

Who prepared this?

Mr. McDONALD. Of course, that was merely extracted from the Sun.

The CHAIRMAN. Who did it?

Mr. McDONALD. I did, sir.

The CHAIRMAN. You yourself?

Mr. McDONALD. Yes.

The CHAIRMAN. Did you submit it to any of your committee?

Mr. McDONALD. Except as I talked to them over the phone—talked to one or two members.

The CHAIRMAN. What members?

Mr. McDONALD. Mr. Kellogg in this case and perhaps one other member.

The CHAIRMAN. But you do not recall his name?

Mr. McDONALD. No.

The CHAIRMAN. And not with Mr. De Bekker?

Mr. McDONALD. Yes; Mr. De Bekker and myself talked the thing over, but I meant other than Mr. De Bekker.

The CHAIRMAN. This is the one article so far referred to which you yourself prepared?

Mr. McDONALD. I did not prepare it except as I used the shears in cutting it out of the Sun.

The CHAIRMAN. I understand that you did not write it, but you used the shears and cut it out of the Sun and prepared it for your outer office for printing and being sent out?

Mr. McDONALD. Yes, sir.

The CHAIRMAN. And this is the only one of these documents so far referred to which you did so prepare?

Mr. McDONALD. I do not know what my connection was specifically with the article about the "Truth about Mexico," but, in general, that is an accurate statement.

The CHAIRMAN (reading):

Reprinted from the New York Evening Post, Tuesday, August 5, 1919—Gates's notes show relation with Mexican rebels testified recently at Congress hearing would overthrow Carranza—Failed to get Washington interested in plan to send our various rebel factions—By David Lawrence, special dispatch to the Evening Post.

Who prepared this for sending out?

Mr. McDONALD. I would say that was my selection from the Post.

The CHAIRMAN. Did you have the authority of the Evening Post to use it as propaganda matter?

Mr. McDONALD. Yes, sir.

The CHAIRMAN. And you prepared it yourself?

Mr. McDONALD. Yes, sir.

The CHAIRMAN. You are the exchange editor for your——

Mr. McDONALD (interposing). I am not normally; no, sir. If I were, I would know more about those other things, sir.

The CHAIRMAN. Who is your exchange editor?

Mr. McDONALD. We do not function quite as a newspaper. We have no exchange editor in the technical sense.

The CHAIRMAN. Well, who would know more about these things?

Mr. McDONALD. Mr. De Bekker.

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The CHAIRMAN. Mr. De Bekker?

Mr. McDONALD. Yes, sir.

The CHAIRMAN. This article by Lawrence, then, appearing in the Post, you think was prepared as propaganda material by yourself and by authority of the Post?

Mr. McDONALD. The Post knew we were using it; yes.

The CHAIRMAN. You notified them that you proposed to use it?

Mr. McDONALD. I do not know specifically that we notified them.

The CHAIRMAN. Well, it is a copyrighted article.

Mr. McDONALD. It is a copyrighted article, and we give them credit for it. I presume they were asked about it. At any rate, there was never any objection.

The CHAIRMAN. You did not ask them personally?

Mr. McDONALD. No, sir.

The CHAIRMAN. It was prepared by you with the shears, and sent by you to the outer office for mailing, as part of your propaganda material?

Mr. McDONALD. Yes, sir.

The CHAIRMAN. Did you before sending that out bring the matter to the attention of Mr. Gates, who is quoted in it?

Mr. McDONALD. The Evening Post, I understand, before Mr. Lawrence prepared his article, had Mr. Gates on the long distance phone and talked it over with him.

The CHAIRMAN. You yourself did not?

Mr. McDONALD. No, sir.

The CHAIRMAN. Have you talked with Mr. Gates since about it?

Mr. McDONALD. I have not talked with Mr. Gates, before or since.

The CHAIRMAN. I have here:

Free service—The League of Free Nations Association, New York—Release on receipt—Wilson's mistaken policy, by L. J. De Bekker.

Presumably this article was prepared by Mr. De Bekker or Mr. Kincheloe or somebody. Do you know just who prepared it?

Mr. McDONALD. Mr. De Bekker prepared it, sir.

Senator BRANDEGEE. Is Mr. De Bekker an employee of your association?

Mr. McDONALD. He is, sir.

Senator BRANDEGEE. Employed by the year?

Mr. McDONALD. No, sir.

Senator BRANDEGEE. By the month?

Mr. McDONALD. Well, he was employed by us practically on a weekly basis, beginning the 1st of August. He is still in our service, sir.

Senator BRANDEGEE. The 1st of August of what year?

Mr. McDONALD. This year.

Senator BRANDEGEE. What is the title of the position which he holds?

Mr. McDONALD. He has never been honored with a title, sir. He is a member of the committee and has done most of our publicity work.

Senator BRANDEGEE. He is a member of your association, then?

Mr. McDONALD. He is a member of the committee. I don't know whether he is a member of the association or not.

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Senator BRANDEGEE. Is not the committee composed of people who are members of the association?

Mr. McDONALD. The members of the committee are not of necessity members of the association, because all the members of the association are $5 members.

Senator BRANDEGEE. How many members of the association are there?

Mr. McDONALD. Of actual $5 members, about 1,250, I should say.

Senator BRANDEGEE. Is there a different class of membership besides the $5 membership?

Mr. McDONALD. No. That is the only kind of members we have. We have others who contribute, however, who may contribute in less amounts than $5, and then we have still others on the mailing list who contribute nothing.

Senator BRANDEGEE. Is the League of Free Nations Association an incorporated body?

Mr. McDONALD. No, sir.

Senator BRANDEGEE. Just a voluntary association?

Mr. McDONALD. Yes, sir.

Senator BRANDEGEE. You say in this paper that you filed with the committee a few moments ago, that, as the result of those conferences held during the summer and fall of 1918, this group formed the League of Free Nations Association on the basis of a statement of members issued in November, last year.

Mr. McDONALD. Yes, sir.

Senator BRANDEGEE. Have you put that statement in the record?

Mr. McDONALD. No; it has not been put in, but it is here, and if you would like to have it——

Senator BRANDEGEE. I would like to look at it and then see whether it should go into the record or not.

Mr. McDONALD. I would be glad to supply you with any number of copies. Here is another copy.

Senator BRANDEGEE. Your paper purports to state those principles, emphasizes the necessity for some sort of new form of world organization, to remove the causes of war, and to build up closer and more friendly relations between nations.

Mr. McDONALD. Yes, sir.

Senator BRANDEGEE. Now, have you made this association world-wide yet?

Mr. McDONALD. Not in the sense—I did not mean that our association was to be world-wide. I merely meant that we here would urge the adoption of—well, specifically, for instance, the league of nations. That was one of the cardinal principles in our statement of principles.

Senator BRANDEGEE. "Some sort of new form of world organization."

Now, as a matter of fact, have you adopted resolutions, or in any way taken cognizances in your association as to whether they are in favor of the proposed form for a league of nations now pending in the Senate?

Mr. McDONALD. Yes, sir.

Senator BRANDEGEE. I would like to have that also.

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Mr. McDONALD. We took a referendum of our members in the course of the spring, and we asked them, as I remember it, four questions. If you like, I will give you a form of that. We asked them specifically this. They were permitted to mark whether they favored what is set forth in this referendum ballot. I will read it.

First:

I favor unreserved ratification by the Senate of the treaty with Germany, including the league of nations covenant.

Second:

I favor unreserved rejection by the Senate of the treaty with Germany, including the league of nations covenant.

Third:

I favor ratification by the Senate of the treaty with Germany, including the league of nations covenant, provided reservations are made by the Senate on article 10 of the covenant.

Fourth:

I favor ratification by the Senate of the treaty with Germany, including the league of nations covenant, and urge the following qualifications or interpretations by the Senate: That Kiaochow and the German concessions in Shantung be immediately restored to China; that nothing in the league of nations covenant be interpreted to inhibit the right of revolution; that Germany and Russia be admitted without delay into the council of the league of nations.

That was the referendum, and, as the result of that referendum and as the result of a meeting of our membership in New York, the following resolution was adopted:

Resolved, That the League of Free Nations Association, in accordance with a referendum of its full membership, calls upon all forward-looking citizens to urge the United States Senate:

1. To ratify without reservation the treaty with Germany, including the league of nations covenant. Such ratification would establish immediate peace, the world's most urgent need in the interest of order and progress, would abolish many international injustices which have proved prolific causes of war, and would create an agency for the rectification of remaining injustices and for the establishment of mutually advantageous and just relations between nations.

2. To accompany its ratification with a resolution declaring it to be the purpose of the United States, as made possible by the league of nations covenant, to:

(*a*) Press for the immediate restoration of Kiaochow and the German concessions in Shantung to the Chinese Republic.

(*b*) Hold that nothing in the treaty or the covenant shall be construed as authorizing interference by the league of nations in internal revolutions or as preventing genuine redress and readjustment of boundaries, through orderly processes provided by the league, at any time in the future that these may be demanded by the welfare and manifest interest of the people concerned.

(*c*) Call for the inclusion of Germany in the council of the league as soon as the new republic shall have entered in good faith upon carrying out the treaty provisions; for the inclusion of Russia as soon as the Russian people establish stable government; and for the full participation of both Germany and Russia on equal footing in all economic intercourse as the best insurance against any reversion to the old scheme of balance of power, economic privilege, and war.

(*d*) Press for the progressive reduction of armaments by all nations.

(*e*) Throw its whole weight in behalf of such changes in the constitution and such developments in the practice of the league as will make it more democratic in its scheme of representation, its procedure more legislative and less exclusively diplomatic—an instrument of growth invigorated and molded by the active, democratic forces of the progressive nations.

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Mr. McDONALD. I have quite a lot [examining]. There is one thing that has gone out since that. It is an open letter addressed to the President of the United States [handing document to the chairman].

The CHAIRMAN. This document which you have just handed me is headed "League of Free Nations Association, 130 West Forty-second Street, New York City, September 3, 1919; to the Hon. Woodrow Wilson, President of the United States of America, Executive Mansion, Washington, D. C. Mr. President," and it is signed by "L. J. de Bekker, James G. McDonald, for the committee on Mexico." Mr. McDonald, was that article, before being sent out, submitted to your committee?

Mr. McDONALD. The thing was submitted to all the members of the committee, but answers from all of them were not had before the thing was sent out.

The CHAIRMAN. From whom—from what members of the committee did you have answers?

Mr. McDONALD. Well, when I left New York, sir, we had an answer from Dr. Lynch and Dr.—the thing was submitted; it was not read at the committee meeting when Mr. Davis was present, and Mr. Inman, and one or two other members of the committee. It was also submitted to Mr. Moors before it was sent out, and to two or three other persons not members of the committee, whom we hoped would lay it before the President. It was submitted to them because the were going to present it to the President, and that part of it fell through.

The CHAIRMAN. The other members of the committee to whom it was sent—did they approve it, all of them?

Mr. McDONALD. Yes, sir.

The CHAIRMAN. After reading it?

Mr. McDONALD. Yes, sir; I presume so.

The CHAIRMAN. You presume so?

Mr. McDONALD. Yes, sir.

The CHAIRMAN. And did they have any explanation of it in addition than simply the article itself?

Mr. McDONALD. No, sir. I should say that Mr. Moors suggested certain changes, and three or four other persons to whom it was sent suggested changes, and these changes were incorporated in the letter.

The CHAIRMAN. Can you point out where those changes were incorporated?

Mr. McDONALD. I could not, sir, because I have not the other copy here. They are matters of style and emphasis rather than anything else, I should judge. You will notice that this says that we had a membership of 2,400. I said a moment ago that we had a paid membership of 1,250. This membership included those who received this service on the list——

The CHAIRMAN. Yes; but that did not attract any attention; but it happens that I looked rather to the end of the letter, and I note about the fourth from the last paragraph the following:

The only people, in fact, Mr. President, who have been actively engaged in a shameless effort, by the publication of alleged atrocities and by the slander of the whole Mexican nation, to force an intervention, are a group of oil interests and mine owners who, by subsidies to bandits, are fomenting armed rebellion against the Government of Mexico, although bound by terms of the

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concessions under which they operate to regard themselves as Mexican citizens in the eyes of the law, and not to seek diplomatic aid in the settlement of their grievances or claims against the Mexican Government.

Now, Mr. McDonald, to what oil interests do you refer?

Mr. McDonald. I personally had no specific oil interests in mind.

The Chairman. You say that you had no specific oil interests in mind?

Mr. McDonald. No, sir.

The Chairman. Then you intended to refer generally to the American oil interests; you intended that, did you?

Mr. McDonald. No, sir.

The Chairman. You did not?

Mr. McDonald. No, sir.

The Chairman. What did you intend, Mr. McDonald, by it?

Mr. McDonald. I intended that I had the impression that all the oil interests were interested in painting a black picture in Mexico, to paint the picture in Mexico rather black. I had no specific information in regard to oil propaganda at all, sir.

The Chairman. But you joined in this statement, Mr. McDonald?

Mr. McDonald. I did, sir.

The Chairman. And you have no specific information upon the matter whatsoever?

Mr. McDonald. The matter of specific information beyond what I indicated; no, sir.

The Chairman. I have not heard you indicate any. What information did you have with reference to the oil interests and their activities in Mexico and their propaganda?

Mr. McDonald. I had no specific information beyond the fact that it seemed to me that we were getting in the daily press for the last two or three months an exceedingly unusual amount of information about Mexico, most of it painting the picture very dark, and I understand the chief economic difficulty is the oil problem in Mexico. Beyond that I have no reason for accusing anybody——

The Chairman. You also referred to the "mining interests." You did not confine your statement to the oil interests—

Are a group of oil interests and mine owners, who, by subsidies to bandits, are fomenting armed rebellion against the Government of Mexico.

That is a pretty strong charge, Mr. McDonald. And you say you have no specific or other information upon the subject?

Mr. McDonald. No, sir. The matter of fomenting rebellion, the only specific reference I had was the case of Pelaez in Tampico.

The Chairman. What do you know about that?

Mr. McDonald. Only the particular thing—that is, the charge that Mr. de Bekker made in The Nation.

The Chairman. And your information is a charge made by Mr. de Bekker?

Mr. McDonald. Yes, sir; the charge made in The Nation and the answer that came from the departments.

The Chairman. And that is all that you had upon the subject—all the information that you had upon that subject?

Mr. McDonald. We wrote a letter to the State Department, to Mr. Lansing, calling his attention to that charge and asking whether it was true that the State Department knew of the payment to Pelaez

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of money, and Mr. Adee replied, saying that before he answered our request he would like to know where we had got our information, and my answer to Mr. Adee was that the charge had been made in The Nation by Mr. de Bekker, and I repeated what Mr. de Bekker told me, that Mr. Prussing, I think it was—I am not sure of the spelling—that in an interview with Mr. Prussing and Mr. de Bekker in the office, and according to Mr. de Bekker's statement Mr. Prussing said that he was employed by certain oil interests and admitted payments to Pelaez.

The CHAIRMAN. And you wrote all of this to Mr. Adee?

Mr. McDONALD. Yes, sir.

The CHAIRMAN. Have you copies of that correspondence?

Mr. McDONALD. I have. I can find it for you. Do you want me to put it into the record?

The CHAIRMAN. Yes, sir.

Mr. McDONALD. Do you want——

The CHAIRMAN. Have you the answer received to that?

Mr. McDONALD. We have not received an answer.

The CHAIRMAN. Did you receive an acknowledgment of your last letter?

Mr. McDONALD. No, sir.

The CHAIRMAN. And the only communication upon the subject that you have received has been the acknowledgment of your letter by Mr. Adee with the request that you furnish him with the source of your information?

Mr. McDONALD. Yes, sir.

The CHAIRMAN. And that is all you have heard from him?

Mr. McDONALD. Yes, sir.

The CHAIRMAN. Did Mr. de Bekker at any of these conferences ever tell you that he knew about payments to anyone else except Pelaez?

Mr. McDONALD. No, sir.

The CHAIRMAN. Did you ever hear of payments to anyone else except Pelaez?

Mr. McDONALD. No, sir.

The CHAIRMAN. Do you speak Spanish or do you read it, Mr. McDonald?

Mr. McDONALD. I speak it and read it sufficiently to have some credit in college, but that does not say very much about my knowledge now. I can read it; yes, sir.

The CHAIRMAN. You can read it? The Spanish documents and the papers that you get, can you read them yourself?

Mr. McDONALD. I can read them.

The CHAIRMAN. And you do read them yourself and not have Mr. de Bekker read them for you? That is what I mean.

Mr. McDONALD. Yes, sir. If I do not find those letters for you right now, may I send them to you?

The CHAIRMAN. You can send them later. Now, Mr. McDonald, this is an appeal to the President of the United States, and Mr. de Bekker and yourself for your committee stated to the President of the United States, I read again, that—

The only people, in fact, Mr. President, who have been actively engaged in a shameless effort, by the publication of alleged atrocities and by the slander of the whole Mexican Nation, to force an intervention are a group of oil interests

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and mine owners who, by subsidies to bandits, are fomenting armed rebellion against the Government of Mexico, although bound by terms of the concessions under which they operate to regard themselves as Mexican citizens in the eyes of the law and not to seek diplomatic aid in the settlement of their grievances or claims against the Mexican Government.

You made that statement as a fact to the President. Now you say that you had no other foundation for that statement than what you have given us—statements made by Mr. de Bekker?

Mr. McDONALD. Yes, sir; that is my only concrete information.

The CHAIRMAN. Then you took the matter up by correspondence with the State Department?

Mr. McDONALD. I submitted the charge to the State Department.

The CHAIRMAN. Was that following the preparation of this letter or prior to it?

Mr. McDONALD. Prior to it.

The CHAIRMAN. Then, after you had written to the State Department, you did not wait for an answer from them before getting up this letter?

Mr. McDONALD. We waited a matter of two or three weeks.

The CHAIRMAN. And in two or three weeks, not having received an answer, then you issued this letter to the President and sent it out to the public?

Mr. McDONALD. Yes, sir.

The CHAIRMAN. Now, what do you mean by the oil companies and mining interests securing the publication of alleged atrocities? Have you any information upon the subject?

Mr. McDONALD. I have no information, sir, beyond the fact that a good many of these stories of things happening in Mexico have been upon investigation proven to be not exactly as terrible as the first stories sent out.

The CHAIRMAN. Investigations made by whom?

Mr. McDONALD. I mean to say, after two or three days there was an opportunity for the facts to be known, and after that opportunity had been given——

The CHAIRMAN. In what instance?

Mr. McDONALD. Well, I had in mind, for instance, the robberies of certain Americans, a matter of two months ago. Our initial impressions was that our honor had been besmirched, and all sorts of things had happened, and finally the sum and substance of it was that—that one of them lost a pair of shoes and another a watch, a gold watch, or a watch of some sort, and apparently the honor of the country was not involved.

The CHAIRMAN. Where did that report first receive publicity, from what source?

Mr. McDONALD. I do not know, sir.

The CHAIRMAN. You do not know that it came from the State Department itself, do you?

Mr. McDONALD. I do not remember.

The CHAIRMAN. And do you think that that was one of the slanderous articles printed by the oil interests?

Mr. McDONALD. I do not know; no, sir.

The CHAIRMAN. Don't you know that it was given out by Mr. Daniels, who said that he had had a telegram a few days since and his attention had been called to it, and he gave it out himself?

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Mr. McDonald. I do not know, sir.

The Chairman. That is the matter. You say that you have in mind one of the specific instances that, you say, justified this statement?

Mr. McDonald. I was saying that was one of the specific instances in which our initial impressions——

The Chairman. I am asking you about this letter that you sent out, in which you state, as a fact, to the President, that the only people who had been actively engaged in a shameless effort, by the publication of alleged atrocities, and by the slander of the whole Mexican nation, to force an intervention, are a group of oil interests and mine owners who, by subsidies to bandits, are fomenting armed rebellion against the Government of Mexico, and I asked you to give one instance where they had done that, and to give one instance which had been brought to your attention, where the publication of any alleged atrocities which are shown to be untrue had been made by any American interests, and to that I am directing your attention. You cited an instance where the publication came from a department of this Government itself, and that you cite as a basis for this statement.

Mr. McDonald. I did not cite that specifically as a basis for that charge. I do not know of concrete cases where oil interests——

The Chairman. Then what justified you in sending a letter of this kind stating to the President of the United States that, as a fact, stating that it was true?

Mr. McDonald. Because I took Mr. de Bekker's judgment of the thing and my general impression of the situation.

The Chairman. Mr. de Bekker is your authority for these statements here, which you told the President of your country were the facts.

Mr. McDonald. Yes, sir.

The Chairman. That is the only instance that you can now recall where a mistake has apparently been made in the publication of some atrocity, which later investigation has shown not to be correct or true or to be exaggerated or overdrawn?

Mr. McDonald. The only one which I remember at this moment.

The Chairman. And you felt justified, Mr. McDonald, in the name of your league, of 1,250 or 2,400 membership, in signing this statement upon the facts which you have given, signing it for the committee on Mexico and sending it to the President of the United States and then sending it out to the public?

Mr. McDonald. I did it, sir.

The Chairman. I know that, but do you feel that you were justified in doing it?

Mr. McDonald. Yes, sir.

The Chairman. Why? What justification have you?

Mr. McDonald. Because my impression—it is not more than an impression—is as it is indicated there.

The Chairman. Do you think that the President would appreciate the fact if you had set forth in this letter that that was your impression?

Mr. McDonald. I had no reason for knowing what the President would appreciate.

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The CHAIRMAN. Suppose the President of the United States were to write to you upon a similar subject, and it should develop that he had no facts within his knowledge upon which he based a statement of this kind, would you not feel, if he later said that it was simply an impression upon his mind, that he should have stated that it was but an impression?

Mr. McDONALD. Evidently; yes, sir.

The CHAIRMAN. And don't you think that you should treat the President of the United States as he would treat you in a matter of this kind?

Mr. McDONALD. Yes, sir.

The CHAIRMAN. Of course, I suppose that you know nothing more about these predatory capitalists than you have shown that you know about these selfish mining interests?

Mr. McDONALD. No, sir.

The CHAIRMAN. That is all, Mr. McDonald. Mr. McDonald, may I ask where you were born?

Mr. McDONALD. I was born in Coldwater, Ohio. Is that all, sir.

The CHAIRMAN. That is all. I had forgotten to ask you that in the first place. Are there any other members of your committee, Mr. McDonald, present?

Mr. McDONALD. I think not, Mr. Chairman. Mr. Trowbridge, whom we mentioned to you, is, I understand, now in Mexico on this business, and Mr. Slaughter is, as I understand now, in Texas on business, and he was expecting to testify before your committee when the committee would hold its sessions there.

STATEMENT OF EDWARD L. DOHENY.

(The witness was duly sworn by the chairman.)

The CHAIRMAN. Please state your name, residence, and occupation?

Mr. DOHENY. Edward Lawrence Doheny; residence, Los Angeles, Calif.; occupation, at present, oil producer.

The CHAIRMAN. I will ask you a preliminary question or two, Mr. Doheny.

Where are you engaged in the production of oil?

Mr. DOHENY. In California and in Mexico.

The CHAIRMAN. How long have you been engaged in the production of oil in Mexico? I will say, rather, I will qualify that: How long have you been engaged in Mexico in prospecting or producing oil?

Mr. DOHENY. A little over 20 years; in fact, 20 years last May I made my first oil prospecting trip into Mexico. We brought our first well in 19 years ago last May.

The CHAIRMAN. Mr. Doheny, you have been present during the hearings before this committee and you know the general course of the investigation and have heard the testimony. I think it might be well for you just to make a statement of your efforts in Mexico, what you have done, how you commenced, under what laws you were operating, whether you have any concessions or special grants, or what is the source of your titles to your properties, and leading up to what you are doing now. I think if you will do that in your own narrative way we will get along better.

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Mr. DOHENY. Commencing with my experience in prospecting for oil or earlier?

The CHAIRMAN. Earlier, if you choose to. You were always prospecting for something, and have been, have you not?

Mr. DOHENY. Well, since 1875.

The CHAIRMAN. When did you go to Mexico?

Mr. DOHENY. I first went to Mexico, into Mexico prospecting, in 1887. I first became acquainted with Mexico and New Mexico in 1873.

The CHAIRMAN. And you speak the Spanish language, do you?

Mr. DOHENY. I have been trying to speak it for something like 46 years, without very much success.

The CHAIRMAN. Suppose I just help you out a little by asking you a question or two. What were you doing in New Mexico?

Mr. DOHENY. I went down to New Mexico from Fort Leavenworth, Kans., with a bunch of shave-tail mules for Lieut. Wheeler, of the United States Geological Survey, to use for pack animals in the survey of the boundary line between Arizona and New Mexico. We arrived at Fort Marcy on the 9th of May, 1873, and Fort Marcy is situated near Silver City. Soon after that I took up the business of prospecting for gold and silver and followed it with varying success until 1892.

The CHAIRMAN. Now. in prospecting, Mr. Doheny, were you prospecting for some one else, in behalf of some one else; in other words, were you representing capitalists or were you doing it personally?

Mr. DOHENY. Well, Mr. Chairman, I have always been prospecting for myself. I was never fortunate enough to get a position to wean me away from the desire to prospect.

The CHAIRMAN. You had plenty of money at that time to live on, did you, Mr. Doheny?

Mr. DOHENY. I did—well, I often lived a whole year through on less than $50. The cost of living did not interfere with a good shot, where game was plentiful, and where salt did not cost very much. I did not always have sugar in my coffee, but I had an appetite which helped to make everything we eat very satisfactory.

The CHAIRMAN. And you continued prospecting for minerals, you say?

Mr. DOHENY. Until 1892. In 1892 I turned my attention to prospecting for oil.

The CHAIRMAN. That was after you left Silver City, N. Mex.?

Mr. DOHENY. That was in Los Angeles, after I left Silver City, N. Mex.; it was in Los Angeles.

The CHAIRMAN. You were in Kingston, N. Mex.——

Mr. DOHENY (interrupting). I discovered Kingston district; was one of the discoverers, with Harry Elliott and Bob Forbes, Tim Corcoran, Sam Miller, Jim Delaney, and Tom Brady. We were the first party that discovered mineral on the head of the Percha Creek in New Mexico.

The CHAIRMAN. That was the North Percha?

Mr. DOHENY. That was the Middle Percha. We made our discoveries on the Saw Pit Gulch branch of the Middle Percha.

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The CHAIRMAN. Before you became interested in oils in California?

Mr. DOHENY. Yes, sir; I discovered the Los Angeles oil field in the fall of 1892, and continued in the oil business with the discovery of three different fields in California before I finally went to Mexico in the year 1900. During my prospecting I will say that I became acquainted with a man with whom I was associated until his death, Mr. C. A. Canfield. Together with him and Mr. A. P. McGinnis I made a prospecting trip to Mexico in May, 1900, and saw some good indications of oil in a certain region lying west of Tampico, in the State of San Luis Potosi, and returning to the States we decided upon the acquisition of lands in that section and an endeavor to develop petroleum in Mexico. We were largely induced to do this by the representations of the president of the Mexican Central Railroad, Mr. A. A. Robinson, lately deceased that if we would make a development of petroleum in Mexico they would purchase the oil from us for fuel on the Mexican Central Railroad.

Mr. Robinson became acquainted with the desirability of oil as a fuel through my efforts in introducing fuel oil on the Atchison, Topeka & Santa Fe Railroad in California, of which company he had formerly been a vice president and chief engineer. He, in fact, suggested to me to make a trip to Mexico, saying that Mexico was without any substantial fuel supply, the coal being of indifferent quality, and that his railroad company was obliged to get its coal from Alabama in the United States. He sent to me transportation for a car and party and I had it for several years, each year for several years, before I finally found the time when I took with me the two companions above named. We had letters from Mr. Robinson introducing us to his agricultural agent and the officers of his road, who kindly moved our car to various parts, so that we might examine for oil indications. As a consequence, we found very satisfactory indications about 35 miles west of Tampico in the Sate of San Luis Potosi, near the boundary of the State of Vera Cruz. In May of 1900, we were importuned at that time by certain Americans in Tampico, of which they were few, who evidently saw a chance to exploit us by endeavoring to act as our representatives in the procuring of oil lands, and to avoid them we returned to the States and came back again in August to interview the owners of these oil lands.

The first property which we purchased was a tract of land known as the Hacienda del Tulillo, meaning the hacienda of the tule. This property contained about 280,000 acres and was owned by a man by the name of Mariano de Arguinzoniz, a Mexican who lived in the ciudad del Maiz. This gentleman had the property on the market for sale and asked $250,000 for it, or about something like $1 per acre, American money, and he found out what we desired it for and what I could do, and he finally told us that he had taken something of the Chapopote, which is an Indian word and which means tar, and had sent it to England to have it analyzed. He gave us a copy of the analysis which he received. He encouraged us to believe that it contained a large amount of illuminating oil, not, how-

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ever, at our request, as we knew more about such oil indications than he did. He succeeded in getting us to pay him $325,000 for the property, $75,000 more than his original price.

The CHAIRMAN. Just one moment. You had the title to that property, of course?

Mr. DOHENY. Yes, sir. I will go back and say that before I went to Mexico on this trip, I interested some other gentlemen in addition to the two who accompanied me. Among them were R. C. Kerens, of St. Louis, late ambassador to Vienna; E. D. Kenna, at that time first vice president of the Atchison, Topeka & St. Louis R. R., Chicago; Mr. W. G. Nevin, general manager of the Atchison, Topeka & St. Louis R. R. Co., in Los Angeles, long since deceased; and J. A. Chanslor, of California, the latter an associate of Mr. Canfield. Mr. Kenna, who had visited Mexico, was also well acquainted with Mr. Robinson, the president of the Mexican Central, and he suggested that he (Kenna) give me a letter of introduction to some attorneys whom he knew, and who he thought might be useful to us in case we decided to buy any land in Mexico.

The CHAIRMAN. Mr. Kenna was a lawyer also, was he not?

Mr. DOHENY. Mr. Kenna was a lawyer also, and he was the head of the law department of the Santa Fe. He gave me a letter of introduction to Senor Pablo Martinez del Rio, who, he said, spoke English well, and was the attorney for the Mexican Central Railroad. Mr. Del Rio has long since deceased. He gave me a letter of introduction to Joaquin de Cassasus, also since deceased, who he said was the leading attorney of Mexico. Mr. Cassasus was afterwards the ambassador to the United States from Mexico.

When we arrived at Mexico on our August trip we had already wired to Mr. Arguinzoniz, who owned the property which we desired to buy, and met him at Las Tables, in San Luis Potosi, and closed the bargain verbally, or orally, and we asked him to travel with us to the city of Aguas Calientes to meet one of these attorneys who would act for us in drawing up the minuta or bill of sale. We told Mr. del Rio—he was our choice as attorney, we had wired him telling him who we were and what the nature of our visit would be, and we asked him if he would come to meet us at Aguas Calientes and close the transaction. We received a message in the affirmative, and we made the contract there at Aguas Calientes, and closed the preliminary contract or minuta by the payment of $25,000. Our check on a California bank was given, which Mr. del Rio unhesitatingly indorsed on the strength of the letters which we showed him.

Sr. Arguinzoniz, the owner of the land, agreed to furnish him with all the evidences of title, and the final papers were to be drawn up for us to receive title to the land at a later date, which was accomplished in November of the same year.

I might say here, now, with reference to these particular titles, or to this particular tract of land, rather, that among the title documents which we received from Sr. Arguinzoniz, was a book about 14 inches long by 12 inches wide by about 6 inches thick, which contained very many documents in writing concerning the title to this property. They were of various dates, in the handwriting of

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various scribes—the most wonderful chirography I have ever seen. The change from one scribe to another was evidenced in the character of the handwriting. They bore the signature and rubricas of the various grantors and grantees. It seemed that the property had been granted by the King of Spain to the Marquis of Guadalcazar in the year 1581, and bore evidence that the title had remained practically in the same family down to the time of the granting to ourselves, merely changing from one set of heirs to another.

Mr. del Rio assured us that if all the lands which we purchased had titles as perfect and clear as the Hacienda del Tulillo, we never need have any concern about our right of ownership.

The incidents connected with the acquisition of this land and our relations with the owners would cover more pages, perhaps, than you desire my testimony to take up, but it might be stated briefly that Mr. Arguinzoniz, when I last saw him alive three or four years ago, after 16 years of the relation of grantee and grantor, he was still my very warm friend and never had expressed any regret that he had parted with the property which afterwards proved to be more valuable than he supposed it was.

Attorney Del Rio took the precaution to tell us that under the Mexican code unknown or unsuspected values might represent, if not referred to in the purchase documents, a possible claim on the part of the former owner to an interest in the property, so he secured a release from Mr. Arguinzoniz of all of his rights to what was then called in Mexico the derechos del subsuelo. That means the rights of the subsoil. In all of our dealings, so far as I know, the right of the subsoil was purchased in addition to the right of the superficie or the surface.

Having acquired this piece of ground we immediately proceeded to develop it, with results that are shown from year to year in the annual reports that I have sent out to stockholders, copies of all of which that I have in my possession, together with the first prospectus that we ever issued, I will be glad to furnish to your committee if you desire me to.

The CHAIRMAN. We shall be very glad to have you file them, sir, if you can.

Mr. DOHENY. They contain a statement to our stockholders of the result of our expenditures and efforts from year to year in a way that my memory could not possibly enable me to state at the present moment.

The CHAIRMAN. What dealings, if any, in connection with this first development did you have with the Mexican Government or officials?

Mr. DOHENY. I may say that we acquired, of land adjoining the land above named, about 150,000 acres more in the extinguished hacienda of Chapacao, making, all told, about 448,000 acres of land in one tract.

Our titles were similar to those to the Tulillo, but the lands were divided up among families in very much smaller tracts.

We were so certain of the absolute honesty and integrity of Senor Del Rio that without any further introduction than just our meeting acquaintance and the letter of Mr. Kenna, we met him at our bank

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in Mexico and placed in his hands $600,000 to be used to make payments on the various properties when and as they became due under the contracts of purchase.

As proof of his appreciation of our confidence in him Mr. Del Rio proceeded to inform us that he thought that it was a very unwise thing for us to expend so much money in Mexico without first being certain that we were going to make a valuable discovery. He really felt sorry to see us so anxious and sanguine about the development of something which would mean a great deal to the people of Mexico. He wished to have us meet the president of Mexico and explain our plans to him. Mr. Del Rio was not exactly persona grata with President Diaz, as his father, the elder Del Rio had been the minister in France of the late Emperor Maxamillian, and as Diaz had been a war opponent of Maxamillian and largely responsible for his overthrow, he naturally did not feel very friendly toward the Del Rio family.

The introduction to Gen. Diaz was brought about, however, through the efforts of our own minister in Mexico at that time, Gen. Clayton, and when we explained to Gen. Diaz our hopes and expectations with regard to the development of petroleum, he was very much pleased, and said that he would be glad to facilitate our efforts in every way; that the development of petroleum that could be used for fuel would save the public domain from being denuded of the immense quantities of timber that were being continually cut off for use on railways and for other purposes, and that it would augment the supply of native fuel and save the money which was being sent out of the country for foreign coal.

I suppose that the general was in the habit of making these assuring remarks to everybody, but I am quite certain that he did not think our little enterprise was going to be successful.

Mr. Canfield and myself were really, I think, the only two members of our own party who were very sanguine of the results.

The CHAIRMAN. Pardon me right there, Mr. Doheny. Were there any oil wells at that time in that vicinity or neighborhood?

Mr. DOHENY. I am just coming to that, Mr. Chairman.

Mr. Del Rio, our attorney, suggested to us that inasmuch as our undertaking was a very hazardous one, we might as well take advantage of all the opportunities offered by the Mexican Government to those who would undertake to establish a new industry, and he told us about the statute which required the Department of Fomento, upon presentation of the proper kind of evidence that an industry was to be inaugurated not in active operation anywhere in the Republic, the said department was obliged to give a so-called concession for the right to import free of duty, the foreign materials for starting the enterprise, and also freedom from Federal taxation, except the stamp tax, on those materials for a period of years.

We were obliged, in order to get this immunity, to furnish a certificate from the governor of each State of the Republic of Mexico to the effect that the oil-producing business was not being carried on in his State. This was very easy to obtain from the governors of all of the States except Vera Cruz. Gov. Dehesa, of the State of Vera Cruz, hesitated very much in giving it, because an effort had

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been made to produce petroleum in Vera Cruz and he was not, himself, certain that it had been abandoned. But when we furnished proof that it had been abandoned for several years, the certificate was obtained and our attorney obtained in his own name a concession from the Department of Fomento, at that time presided over by Señor Escontria, whose name has been mentioned here, giving him the right to import, free of duty, for a period of 10 years material and supplies with which to develop petroleum on lands which were described and which were the lands that I have already told you that I purchased, and with which description we had to file a map marking the places upon said lands where we expected to do the developing.

We also had to agree to expend a certain amount of money within a certain number of years. I think the amount was $500,000 in Mexican gold within five years. At any rate, when the concession was presented by Mr. Del Rio, to us, with the offer to assign to us or the company which we might organize, Mr. Canfield hesitated about our taking it because he could not see where the word "concession," as we understood it, applied to the sort of a contract we were making.

We were obliging ourselves to spend $500,000 on that property within a certain length of time, but after that we were merely to be relieved from the duties which were not very considerable and the taxes, which were also inconsiderable, unless we made a big development, for a period of years.

We finally accepted that concession, and that is the only concession of that sort ever granted in Mexico to anybody, and has lapsed nearly 10 years ago.

The CHAIRMAN. That was simply to induce you to invest capital in an entirely new enterprise in the Republic of Mexico?

Mr. DOHENY. Yes, sir. Our first effort to find oil was begun in the spring of the following year, in February, in other words, by the establishment of a camp on the Tampico branch of the Mexican Central Railway at a point which was known as Kilometer 613, as a telegraph pole at that point indicated, showing the distance south of Aguascalientes.

Mr. H. R. Nickerson, since deceased, vice president of the Mexican Central Railroad, kindly cut the main line for us and put in a siding 300 or 400 feet long, so that our private car and freight cars could be shunted onto this line siding and we could have delivered to us on the ground the materials needed for establishing the camp.

I mention this fact, though it may seem trivial, because of the associated facts, which are that the Mexican Central Railway for the greater part of the distance between Tampico and the town of Cardenas, about 150 miles distant, ran through a country which, although one of the earliest visited by Europeans and having evidences of civilization existent long before the European visitation, was still what would be known in western parlance as a "wild country." The railroad was cut through a jungle so dense that, except where breaches were cut, only a bird or other small animal could penetrate it. The climate and rainfall were such that in cutting the ties it was soon supplanted by a new growth so that the stumps of the

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cut trees were hidden within a year or two. The forest on either side of the railroad had furnished ties for more than 20 years, and still the roads through which those ties were hauled to the railroad were so covered that they could scarcely be discovered.

The right of way for a distance or 20 meters on each side of the road was kept clear; except for that, the land which we purchased, so far as could be ascertained for the railroad, was a dense, impenetrable jungle covered with fog in the night and in the morning. Being below the Tropic of Cancer, we had extraordinarily hot weather at the time we first visited it, although the winters were very delightful, and at the time we undertook to establish our camp the weather was especially fine.

I am afraid I am going to get this too long, Senator.

The CHAIRMAN. It is very interesting, indeed.

Mr. DOHENY. Our first effort to develop, because of the distance from supplies, necessitated the building of a home for the superintendent and employees to live in; the building of an ice and cold-storage plant; a water-distillation plant so they could have fresh, cool water; and an electric plant so that they could have fans to make living bearable during the night. We put in the materials for a sawmill, machine shop, boiler and blacksmith shop, and brought our supplies for all these materials from Pittsburgh, Pa., by Ward Line steamer from New York to Tampico; and then by rail, stopping at kilometer 613 in the jungle, which is now known as the town of Ebano.

The camp was started there on the 12th of February. The first rig was up and ready for drilling on the 1st of May. The first well was brought in on the 14th day of May, 1901.

Before buying the land, however, the summer previous I went with Mr. Maginnis to Boston to see Mr. Robinson to get him to make good his promise to contract to purchase oil from us if and when we developed it, and to make good his promise, also to facilitate us in moving men and supplies there by giving us freight and passenger accommodations. We made a satisfactory contract to supply his railroad with oil from Aguascalientes to Tampico, a distance of about 500 miles.

The CHAIRMAN. Was that the first oil ever used in Mexico?

Mr. DOHENY. The first oil ever produced or used in Mexico in substantial quantities.

The CHAIRMAN. The first used on locomotives?

Mr. DOHENY. It was not used at that time on locomotives. The terms of the contract required that we should notify the railroad companies that we had a supply of oil available, and they should then turn over to us a locomotive that should be equipped at our own expense and operated with all the costs for equipment and for reconversion to the coal in case we failed to consume the oil satisfactorily.

On the 15th day of May I notified Mr. Robinson that our company was prepared to supply oil for one locomotive, from a well that we had just brought in the day before that seemed to be good for 50 barrels a day. I notified him by telegraph, using the language of the contract in the notice.

Much to my surprise and great disappointment, about two weeks later I received a letter by mail from Mr. Robinson stating that he

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had been instructed by the new chairman of his board of directors to notify us that the contract had been abrogated.

To make a long story short, we did not sell any oil to that railroad company for nearly five years. We did not have any market for our oil before we commenced, as we had thought we had provided by a perfectly good contract, but we simply had a good case for a lawsuit. We did not bring the suit, but we organized a paving company in the City of Mexico and put up a little refinery at Ebano, in order to prosecute our development.

As a result of the organization of that paving company, we finally paved about 50 per cent of that part of the City of Mexico that is now paved, and did all of the paving done in the cities of Guadalajara, Morelia, Tampico, Duranzo, Puebla, and Chihuahua. Thus failure to have a railway contract with the Mexican Central Railroad gave Mexico the best pavement on terms cheaper than probably any country in the world, and the cities named soon became among the best paved cities in the world, having an asphaltum pavement, what is called an A-1 asphalt pavement, consisting of a 6-inch concrete base, an inch of binder, with 2½ inches of asphaltic wearing surface.

That company did business until the revolution on the basis of half payment of the contract price when work was completed and the remaining 50 per cent to be paid in equal payments over a period of 10 years.

When the payment became due the engineer of the City of Mexico was to examine the work in question and furnish a certificate that it was in good condition. In other words, the pavement must be just as good at the end of 10 years as it was when it was first accepted by the city engineer. This was under the Diaz administration.

The contracts in every way were patterned after a form suggested by ourselves and approved by them. There was no big profit in that business, but it gave us a reason for being in Mexico and something to show our stockholders as to what we were accomplishing there, until such time as our production would be great enough to enable us to go to the expense of taking it to a distant market.

The Mexican Central Railway Co., whose line ran for 35 miles through our property, had not yet made up its mind that it was a wise thing for it to buy its fuel from us. The wells which were developed during the first four years varied anywhere from 10 barrels a day to 50 barrels a day. They were shallow wells, and while we had felt that greater production was to be obtained at greater depth, the entire lack of a market kept us from drilling to the greater depths, which afterwards proved to be most productive.

In 1904 we determined to put one well down, and it was the No. 1 well, to what we believed to be a lower producing formation.

The doubts in the minds of the drillers and even of the superintendent, and, I may confess, of the president himself, made this work necessarily very interesting, and it was watched closely. At a depth of 1,450 feet we developed a flowing well, which produced the first day about a thousand barrels of oil. The second day it increased, and it eventually was producing, when I arrived there from Los Angeles, about 1,700 barrels a day, of about 10 gravity, the heaviest oil I had ever seen produced from an oil well in such quantities.

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That well, by the way, is still capable of producing about 800 barrels a day after 15 years of continuous flowing.

When we again called the attention of the railroad company to the supply of fuel which was available for their use, they claimed the oil could not be used, it being, as they said, too heavy. At our own expense we equipped an engine for them and proved that the oil could be used, and I later on made a contract with Henry Clay Pierce, the chairman of the executive committee of the road, to furnish his company with oil for a period of 15 years. That contract will expire next year; and as long as Mr. Pierce had control of the road the contract was lived up to by him and by us, and since he lost control of the road to the national railways of Mexico it was lived up to by the national railways.

After the national railways lost possession of the road to the constitutionalist government, we furnished oil to them at a very much reduced price, and are doing so at the present time at that price.

The original price for which this oil was sold was 55 cents a barrel, graduated down to 45 cents a barrel, averaging 49⅙ cents a barrel delivered on board cars. Three barrels and a half of the oil were equal to a ton of coal. The vice president of the railroad, Mr. Hudson, who is now president of a railroad in Cuba, told me at the end of a year that their saving had been greater than their total cost of oil; in other words, the oil had cut their fuel bill down to less than one-half of what it had originally cost.

During this period the Government of Mexico took little notice of the oil business. There seemed to be a hostility toward us on the part of the minister, Mr. Limantour. That hostility, however, did not appear to be shared by any of the heads of the other departments, with whom I may say we became very well acquainted during the first years of developing in Mexico.

The International Geological Congress met in Mexico in the year 1905, I think—I will not be certain about the date—and the president of the Geological Institute in Mexico City at that time was Prof. Aguilera. Prof. Aguilera had made up his mind that there was no oil to be discovered in Mexico, and was very much aggrieved to think that his predictions had been disproved by the work of a couple of American prospectors; so that during the years when we were selling as much as 1,000 barrels a day the public records in Mexico City did not show any production whatever of oil. Those records to that extent are incorrect to-day.

I might say here that shortly after we began, at the suggestion of President Diaz, the minister of Hacienda sent two experts to our property to investigate the oil possibilities and make a report, so that the Government would have some knowledge of the progress of our work and its possibilities. The two men sent were both well-known young geologists, one being Ezequiel Ordoñez, the other being Mr. Virreyes. Those two men made very different reports. Mr. Ordoñez made a report to the Government almost in line with our own report to our prospective stockholders made the year previously. Mr. Virreyes in his report confirmed the opinion of Mr. Aguilera that oil could not be discovered in any quantities in Mexico. Because of his difference with the president of the Geological Institute, Ordoñez was discredited and had to leave the institution.

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The moment our first big well was brought in, Mr. Aguilera and others, who seemed to be imbued with socialistic instincts, endeavored to bring about nationalization of petroleum, and in that year President Diaz was prevailed upon to appoint a committee made up of attorneys, members of the supreme court, and one or two scientists to investigate the question as to whether or not petroleum could be nationalized or included among the minerals that the Government could reserve even under the surface of privately owned lands.

Our attorney, Mr. Del Rio, notified Mr. Canfield and me by wire about this, and we went down to the City of Mexico and were there during the period of the investigation, which we followed, of course, with great interest, because our right to operate these lands under the statutes depended largely upon the report made by this committee.

As the records show, when the matter had finally been argued, after several weeks of discussion and study, all of the members of the academy of jurisprudence except one voted in favor of the resolution which was made to the President that the Government had no claim whatever to the oil beneath the surface of private lands.

This report, of course, relieved us of a doubt, but only a doubt, which we had that they were not justified in obstructing our efforts to develop petroleum, and we continued with renewed energy. The condition of affairs in the United States, however, especially after the steel depression of 1903, together with the failure of the railroad company to live up to its contract with us, discouraged so many of our stockholders that they sold out. As will be observed from the prospectus which I expect to place on file, our stockholders at that time included 54 names of men who were widely known throughout the Nation as serious and successful business men.

The uses of petroleum in the United States had not at that time developed to such a great extent as they have since. The gasoline engine was not known as a vedy successful piece of machinery; gasoline, though not exactly as it had theretofore been, a waste product, did not command the price that it does at the present time. Fuel oil was being used on a few railroads in California and in Texas. The development of the Beaumont, Sour Lake, Saratoga, Batson Prairie, and Humble fields in Texas furnished an oversupply for that region, and the jungles of Mexico did not seem attractive to our own stockholders, much less to other oil developers, to start new companies in Mexico, so that we were practically the only company for a period of five years. I think I will increase that and say for a period of six years, except for a desultory effort made by Sir Weetman Pearson to develop a field many hundreds of miles to the south. Nevertheless, Mr. Canfield and I had such faith in the productiveness of this territory—and the fact since then has been developed that we had not found the richest spots—that we prospected north and south of Tampico, on horseback, on foot, or with railroad train, and even bought a yacht in the city of New York and took it down to Tampico on the Matanzas, a Ward Line steamer, and penetrated the numerous rivers as far as the draft of the yacht would permit.

We saw enormous oil exudes, which to us were absolutely certain indications of the existence of profitable pools of oil to be developed. We found those exudes in every instance a source of danger, not

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only to animals, but to human beings. They were a death trap, in which birds, reptiles, and animals had been captured from time immemorial, like the Brea beds west of Los Angeles; their victims reach back into the dim ages of the past.

Here I may say, for purposes of illumination, that west of Los Angeles, on a property of which I was a party to the development, bones were found near the surface and are still to be seen, some of them within 2 feet of the surface, which had been exhumed and assembled in the museum of Los Angeles, which showed that the tar exudes had been coming to the surface there for a period of not less than one-quarter of a million years—the complete bones of the giant sloth, the imperial elephant, the saber-tooth tiger, the camel, and many other animals, such as the original California horse, the giant bear, the giant wolf. Numbers of thes animals' bones have been gathered, to the extent of not less than five or six hundred of each class, except, perhaps, the hairy elephant and the camel, of which there were less than 50 of each found.

These exudes are typical exudes in an asphalt-bearing country where geological disturbances have permitted or compelled the oil to find vent on the surface. This is true in Mexico as it was in California; and the Mexicans, like the early Californians, found these exudes, which they did not understand, a great source of danger to their stock and to their children.

They surrounded them with fences made of thorny brush or of barbed wire, if it were convenient, so as to prevent them from destroying their live stock and persons. This condition exists all through the Huasteca region of Mexico, as it does in many places in California.

The exudes have always been known to the inhabitants, even to the primitive inhabitants of ancient times, as shown by the buildings, the roofs of which have been tarred to keep out the tropical rains.

Into this country we went, talking to the inhabitants, through an interpreter, telling them of our desire to buy these places that they themselves avoided and neglected; and where we could not buy the surface we would offer sometimes to buy the subsoil rights, and in no instance did we hide from the owners the fact that we wanted to buy the subsoil rights, even though we had to buy the surface to acquire such rights. In no instance was there any deception practiced upon these people. In every instance the deeds were recorded in the public registry whenever the amount involved in the transaction was of sufficient volume to justify registration. I believe there is a sum below which they will not register a document.

Every trip we made to Mexico—and I made 65 trips during a period of 15 years, my wife accompanying me on 28 of these trips—I sought out the officials of the Government with whom we had to deal in the City of Mexico and kept them informed constantly of our progress. I was engaged very busily in denying rumors published in Mexican periodicals to the effect that we were an agent of the Standard Oil Co. or a subsidiary of that organization.

At that time the Diaz Government was very much opposed to monopolies, and Gen. Diaz asked me point blank if we were in any

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way connected with the Standard Oil Co. When I told him no, he asked me to promise that I would never sell out to them without first letting him know, so that the Mexican Government could have the opportunity of buying the property before allowing it to pass into the hands of a very strong foreign organization.

I have kept my promise to him and to his successors up to the present time.

The character of the country I have described in many of my reports, but I will say briefly here it was on which was enormously attractive to Mr. Canfield and myself, after we lost fear of the malaria and yellow fever which seemed so prevalent when we first went there.

Tampico at that time was a miserable little seaport, where disease of many sorts, filth and poverty, and pestilence seemed to prevail. Men that we met one day we would see carried off to a cemetery the next, having died of yellow fever. We buried 45 men from one of our own camps who died of "vomito." The dangers of the country there seemed to be more to the health of the person than in any other way.

A familiarity with the climate and the fact that we could live there without being victims of the climate and diseases that were prevalent, finally gave us a feeling of security and we ignored the climate entirely and have since found that there is no objection to the climate of the jungle country; that by proper hygienic conditions being established and careful living, life is just as comfortable there and just as secure as it is in more salubrious climates.

The people of the country, I may say, were almost as strange to us as was the climate when we first went there; and I want to say that there really ought to be a chapter recorded here on the nature of our experience with the people of that country.

Our then superintendent was a man named A. P. Maginnis, who had been a contractor and later on was the tax commissioner of the Atchison, Topeka & Santa Fe Railway Co. in California. He was a very genial, pleasant man who knew nothing at all about the technology or development of oil, but had a great heart and was a man of great fortitude. When we dropped him in the jungle at Kilometer 613, and our train pulled out for the United States and we sat on the observation end of the private car looking at him and his family whom we had left there, I think I felt almost as sorry for him as if we were marooning him in the middle of the Gulf of Mexico without any way of getting to the shore.

He showed, however, his great ability for withstanding the hardships of a pioneer life, even in that jungle country; and when we returned some weeks later he had a very comfortable house built, with cots covered with mosquito bars, so that we were protected from mosquitoes, and everything to make the place a very desirable and delightful place in which to live.

He commenced in February, and we returned again in May, just before the first well came in. We guessed about the time the first well ought to be finished, and as we have frequently done since, we hit it within two days' time.

On the trip which we made in May I had people from Pittsburgh, St. Louis, and some friends from Los Angeles, with my wife and

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myself; we had a large party and a very fine trip. We traveled through the jungle. We met the people that Maginnis was employing, the Mexicans being largely machete men, called peons. They used the long-bladed knife in their work, whether it was cutting brush or digging up the soil to plant, or anything else; the machete seemed to be their principal tool to work with. They had to be broken in to use a pick and shovel for excavations and railroad cuts, etc., but they were tractable, and while very awkard at doing any kind of physical labor, they soon learned and became like other laborers, very satisfactory.

When we first took this territory we found that our vendor had employed 45 or 50 men as ranch hands, principally looking after cattle. The wages were 36 cents a day, Mexican currency. The Mexican dollar at that time was worth 38 to 40 cents in American money, so that their wages varied from 12 to 15 cents a day, American currency.

On the railroads a little higher wage was paid the section hands; they got 50 cents a day, Mexican currency. We started our employees off at 60 cents a day. Mr. Maginnis, being a railroad man, was opposed to breaking the custom of paying wages; but, without any intimation from Canfield and myself, he increased the wages 10 cents a day, and when Mr. Canfield and myself arrived on the scene, I suggested to him that he pay 75 cents a day, which he did; and then a little later on we increased it to a dollar a day.

This was not done, however, without a good deal of protest on the part of the railroad company and the other employers of labor in the country, principally the haciendos (the farmers), who found that our greater rate of wage was demoralizing the labor element.

By the way, the laborers of this section were not natives of the Tierra Caliente, or jungle country, but were brought from the higher altitudes, in the Tierra Templada, or Tierra Frio, most of them coming from a town called Cerritos, on the Tampico Branch of the Mexican Central. When we first started in there, our first work was to clear away the jungle and make room for the camps. As soon as it was possible to employ skilled American men to do carpentry work, drilling, etc., they were brought from the States.

The problem which we realized we had to solve was how to accommodate the Mexican laborers to contact with the more highly skilled, high-tempered, and highly paid American laborers, and how to keep harmony between them at all times, and not make ourselves disliked in the country of the people where we had come to establish this new industry.

The CHAIRMAN. Will you please suspend a moment? This is a very interesting chapter in the history, this labor proposition. Would it inconvenience you for us to take a recess now before going any further? You are opening this labor chapter, which is very interesting and instructive.

Mr. DOHENY. I am here at your command, Mr. Chairman.

The CHAIRMAN. The committee will be in recess, then, until to-morrow morning at 11 o'clock.

Mr. DOHENY. If I am making too long and rambling a story of this I wish you would suggest it, so I can cut it down in some way.

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The CHAIRMAN. We have made up our minds in going into this to try to get for the American people a true picture of Mexico and the conditions there, and what Americans have done in Mexico, and I do not know anyone who is more capable of giving at least the latter part of it, at any rate, than yourself.

Mr. DOHENY. I thank you.

(Thereupon, at 5.50 p. m., the committee took a recess until to-morrow, Thursday, September 11, 1919, at 11 o'clock a. m.)

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INVESTIGATION OF MEXICAN AFFAIRS.

THURSDAY, SEPTEMBER 11, 1919.

UNITED STATES SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON FOREIGN RELATIONS,
Washington, D. C.

The subcommittee met at 11.15 a. m., pursuant to adjournment in room 422, Senate Office Building, Senator Albert B. Fall, presiding.

Present: Senators Fall (chairman) and Brandegee.

The CHAIRMAN. The committee will come to order.

Mr. Doheny, will you take the stand again?

TESTIMONY OF MR. EDWARD L. DOHENY—Resumed.

The CHAIRMAN. If you are prepared to continue your very interesting relation, we will be glad to hear you.

Mr. DOHENY. If I remember rightly, Mr. Chairman, I was relating the result of our operations down there in Mexico upon the labor conditions in that part of Mexico.

I have brought with me to-day some copies of the annual reports which I made to our company, the Mexican Petroleum Co. (Ltd.), for the years 1912 down to 1918, inclusive, during which years I thought it advisable to comment upon the labor conditions as well as the other conditions, so as to keep our stockholders informed as to the effect of the varying conditions there and elsewhere upon the business in which they were interested.

With your permission, a little later on I will undertake to read specific portions of those reports so that you can catch the idea that was in our minds then and now as to what our duty was and is toward the Mexican people and the Mexican Government. I will also offer, for you to place in your records if you desire, a copy of each one of those reports.

In the meantime, and as a prelude to this placing in the record of these reports made from year to year, I think it would be throwing some light upon the situation here if you knew that from the very beginning of our industry there we were deeply interested in the question of our relations to the laboring classes of Mexico.

It is needless to say that I myself was quite familiar with the fact that a great many of the people of Mexico, who worked for wages, had for a great many centuries been employed under conditions which are entirely foreign to those of our own country; and without desiring to criticise the laws and customs of Mexico, I am compelled,

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however, to admit that the system which obtained there was not altogether to the disadvantage of the laborer or peon; that there were many features of it which were to his advantage, and many others, again, which were abused so as to operate greatly to his disadvantage, but never, except in very rare instances, to the extent detailed by the letters of John Kenneth Turner, published in the American Magazine, and in which Mr. Turner picked out the very sorest spot in Mexico to describe as a sample of the conditions there. Mr. Turner's description of the conditions in Mexico, relating what he saw in the Valle Nacional, are much more exaggerated and, consequently, much more unfair, than many of the statements made in the famous book which was published before the Civil War and which had so much to do with inflaming the minds of the people of the North against the people of the South in our own country. I refer to the book of Mrs. Harriet Beecher Stowe, which has been dramatized and presented to all the people of the United States so many times under the name of "Uncle Tom's Cabin."

The people of the Southern States never had one-hundredth part as much cause to complain of the exaggerations stated in that book as have the fair-minded and well-meaning and humane haciendados of Mexico to complain of the publication to the world of the conditions in one of the sorest spots in that country as being typical of the entire conditions there.

In 1903 or 1902—I am not certain now which year—there was held in the City of Mexico a Pan American conference at which there were in attendance a great many men from the United States and from several Central and South American States.

I happened to be in the City of Mexico at that time with friends from Pittsburgh, St. Louis, and Los Angeles, and, not wishing to intrude upon the President of Mexico at a time when there were so many other strangers there demaning his attention, I merely sent word of my presence and desire to pay my respects, through the medium of a messenger, so that I could make a record which I have kept up ever since of always having called upon the chief executive of the nation whenever I visited the capital.

Gen. Diaz, however, sent for me and the party who were with me, and when I apologized for trespassing on his time when he was so busy he said he was very pleased indeed to talk to men who came to talk about practical affairs; that he was not as much in sympathy as people might think with the discussion of affairs in a general way which led to no practical solution. He endeavored to get us to develop iron in his own State of Oaxaca, told us about the prospects he had seen in the mountains in his boyhood; told us that he desired our company to have success, for three reasons: First, because he thought that any foreigners who left their own country and went into a distant land to make investments were entitled to reward for their energy and daring; next, he was quite sure that the development of petroleum, such as we were hoping to find, would result in the saving of the forests on the mountains and cheapening the fuel to the industries, thus enabling the industries of Mexico to profit and expand because of the new supply of fuel. But, more than all else, he hoped we would be successful, he said, because he knew that in undertaking to develop a new industry of this sort we would necessarily be obliged to bring into the country skilled workmen from America, and that his

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acquaintance with the working conditions in the United States was such that it was his ambition to have as many of those methods translated to Mexico as possible.

He told us of his early hopes with regard to the bettering of conditions of his own people, and in the midst of his conversation about the futility of his endeavor to alleviate the working conditions of his own people he stopped, choked up with emotion, and the tears rolled down his cheeks. He begged our forbearance, and later proceeded to apologize for his emotion by saying that he never contemplated the failure of his design in bringing good conditions to the working people of Mexico without being overcome as we had seen him.

The men who were with me were hard-headed men, coal producers of Pittsburgh, iron men from Pittsburgh and St. Louis, a farmer from Nebraska, and prospectors from California. Every one of us believed, and every one of them who were with me and who are still alive, believes that Gen. Diaz's heart was as close to that of the laboring man of Mexico as any other Mexican who has ever lived there before or since.

He told us that the way to treat the Mexican peon was to treat him as a friend, not as a mercenary; that he should be made to believe that the place where he worked was his home. If a small piece of land and a house to live in could be assigned to him as his own he would be contented, but as a mercenary he did not make a good laborer.

He told us that we must be patient with the ignorance and the lack of initiative in the Mexican workman. He called our attention to the fact that they could not learn by instruction, that they must be taught by precept, by example: that they were very imitative, that anything they saw others do they could learn to do, and do well: that they would be faithful to those whom they worked for if they were treated well. He told us that his greatest desire for our prosperity in Mexico was the example which our workmen would present to the Mexican workmen of how to work, how to live, and how to progress.

We left that meeting feeling that as long as we treated the Mexican laborers well in Mexico we would have the friendship of the chief executive. This afterwards proved to be true.

At that time, as I related yesterday, our superintendent was a railroad man who was little experienced in the oil business. We had developed oil and found that our market had disappeared at the command of the chairman of the executive committee of the company with whom we had the contract. Being a prospector, and having led many a forlorn hope, I was not as discouraged as it was thought I would be, and did not desist from the endeavor to develop oil in Mexico because of the failure of a market with the natural customer with whom we had an agreement—a railroad company crossing our own property. Many of our stockholders became discouraged, however, and sold out. From being a one-eighth owner of the property in the beginning, I soon became the owner of over 40 per cent by purchasing the holdings of all those who wished to sell, and always at cost or a profit to such investors.

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My associate, Mr. Canfield, was at that time not easy in a financial way, so that he could not partake to the same extent that I did in this accumulation of the stock of deceased stockholders.

Senator BRANDEGEE. What was your capital at that time?

Mr. DOHENY. The capitalization of the company was $6,000,000, and we had expended about $2,800,000 before we made any substantial development or developed any market, except the market which I referred to in my testimony yesterday, which came to us through the building of an asphaltum refinery and the taking of contracts to pave streets in the city of Mexico.

Senator BRANDEGEE. You had no bonds?

Mr. DOHENY. At that time we had no bonds outstanding. All of our expenses were paid for in the first instance by loans which I made to the company and which at one time amounted to the sum of $652,000. These loans were repaid to me later on by assessments levied upon the stock. All of our stockholders were well-to-do or rich men; consequently, we thought it was only fair and just to ask them to contribute to the expansion of the company by practical contribution in the form of assessments. It may be that that tax upon them was the cause of many of them losing their faith in the company and being desirous of selling out.

Senator BRANDEGEE. Was your corporation organized under the laws of Mexico?

Mr. DOHENY. Our corporation was organized under the laws of the State of California.

By the way, I might interject here, if it is to the interest of the committee, that later on in my testimony, in the proper place, I would be glad to explain the system of inside financing which enabled us to develop this wonderful territory in Mexico without going to the people with either a stock issue or a bond issue that would be sold to the public.

Senator BRANDEGEE. Was your company always of the same name as it has now?

Mr. DOHENY. The Mexican Petroleum Co.; yes, sir.

Senator BRANDEGEE. What is the capital of it now?

Mr. DOHENY. The capital of the company remains the same, but we organized a new company with the same name, except that we added the word "Limited," under the laws of the State of Delaware—The Mexican Petroleum Co. (Ltd.) of Delaware. That company acquired about 99 per cent of the stock of the original company—the Mexican Petroleum Co. of California—and also all of the stock of three other companies which were organized to take over lands which we had purchased subsequently and which the stockholders of the original company did not desire to participate in.

The capitalization of the Mexican Petroleum Co. (Ltd.) of Delaware, which holds all of the stock practically of the Mexican subsidiary companies, as well as of our Mexican Petroleum Corporation, which has large distributing stations and refineries in the United States and South America, is $60,000,000.

Senator BRANDEGEE. Is that the company whose securities are listed on the exchanges?

Mr. DOHENY. That is one of the companies whose securities are listed on the exchanges.

Senator BRANDEGEE. That is the holding company?

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Mr. DOHENY. Yes, sir.

Senator BRANDEGEE. The reason I ask these questions at this point is that you were saying how you acquired the stock of the others who wanted to sell out.

Mr. DOHENY. That was the stock of the first original company.

Senator BRANDEGEE. I will not pursue this inquiry now because, I assume, that later on you will probably file some statement giving a financial explanation of the affairs of the company.

Mr. DOHENY. Yes, sir; I will be glad to do so.

I might as well say, while we are dealing with that phase of the subject, that we have still another company called the Pan American Petroleum Transportation Co., which has furnished all of the ships for carrying the oil away from Mexico to distant markets, the capital of which is also quite large and whose investment indirectly in the Mexican business has been as essential to the development of the Mexican business as the investments of the Mexican Petroleum Co., which were made within the Territory of Mexico.

Senator BRANDEGEE. I think, perhaps, inasmuch as you have this all in mind in your own way, I had better let you proceed in your own way and make your general statement first and then later on, if anything occurs to me, I will ask you about it. It tends to throw you off in the continuity of your thought——

Mr. DOHENY. Just as you please, Senator. My first thought was to explain the labor situation and, probably, I have done so in a very verbose way; but I want to say that because of the discouragement of the development of oil in Mexico—oil sold as low as 3 cents a barrel at Beaumont, Tex. There was small consumption of oil, and not the many uses to which it is now put and for which it is being used in a very large way. The panic of 1893, or the depression which followed the flotation of the great United States Steel Corporation, the opposition on the part of Americans interested in selling imported oil to Mexico, the failure to be able to make earnings in substantial amount because of the abrogation of our contract, all caused the discouragement of most of our stockholders and the consolidation of the stock in the hands of a very few.

I am telling this because it is a part of the essential history of the company and shows the difficulties under which we labored.

I had a very valuable property in California, which I sold to one of the large railroad companies for a very substantial sum of money, over a million and a quarter dollars. I made up my mind that I would devote my entire time and capital to the successful development of Mexican properties, notwithstanding the discouragements. I bought for that purpose three lots in an addition to the City of Mexico and calculated on duplicating my present residence at Los Angeles in the City of Mexico, and, if necessary, making Mexico my home and becoming a resident there without, however, giving up my American citizenship.

I was so convinced of the enormous production that it was possible to develop in the Mexican fields that I felt justified in giving the personal attention which the business would require from somebody deeply interested, in order to prevent its abandonment by the stockholders.

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As a first step in this campaign of development which I determined upon, I acquired the services, or at least retained the services, of the gentleman who had managed my property in California which I sold to the railroad company.

I wonder if it will be considered lengthening this testimony too much if I make a little comment upon his character and upon what his association with me really means?

The CHAIRMAN. The committee are inclined to let you just follow your own course. We think that the story that you are telling is one which is not only very interesting, but that it is necessary in order that the American people themselves should understand what Americans have done in Mexico.

Mr. DOHENY. The gentleman I referred to is Mr. Herbert G. Wylie, who was the general manager of the Petroleum Development Co. and who had been known to me for seven or eight years and associated with me for nearly four years. I realized that to develop this property economically, advantageously and in every way successfully I must have a man with the greatest possible constructive genius, energy, and fortitude to endure all of the hardships and privations and difficulties and obstacles that were to be encountered in this far away and little frequented country. Mr. Wylie was born in Dublin, Ireland, raised in Belfast of a family of four brothers, clergymen; an uncle who was chief justice on the supreme bench of Ireland. His family was divided between Home Rule and Orangeism. His own father was a very strong opponent of Home Rule, and he himself had been the president of the Christian Endeavor Society of California, and was a very devout Presbyterian, as he still is. I was and am of Irish-Catholic origin, south of Ireland parentage, born of two rebellions; and the association between the north and south of Ireland in the Mexican Petroleum Co. has, in my opinion, produced the greatest staple producing organization in the world to-day.

I selected by Wylie because of his known religious convictions, his great energy, his constructive genius that I had already become acquainted with through his four years of association with me and the four years of knowledge of him that I had had prior to employing him. My only fear was that because of his restless energy and dynamic force he would be too impatient and intolerant of the easy-going, awkward and, I might say without reflection, ignorant ways of the Mexican laborer. But I talked with Mr. Wylie and told him what my idea was about how these people ought to be handled, quoting as largely as I could from the language of Gen. Diaz. Without much comment he suggested to me that he thought he could handle the situation.

He went to Ebano and took charge, in October, 1902. We were employing at that time two or three thousand Mexican laborers to clear away the jungle, make roadways, build a refinery, and carry on the general operations of the field, but we increased the number largely, built fairly good houses for them to live in, gave instructions throughout the camp that any white man or any American who found that it was impossible for him to work with the Mexicans must come to the office and get his time; that we were in a country where the labor must necessarily be that of the citizens of the country; that we could not expect or hope to change their customs except as they might change them themselves, voluntarily, by the example we

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had set them. We must be patient with them. To my own knowledge, he rebuked and dispensed with the services of one of our most valuable foremen because he found him impatient with the Mexican labor.

I think this phase of the history of our company hight probably be better described by reading clauses out of the various reports.

I have with me here the annual report of the Mexican Petroleum Co., Limited, of Delaware, and its subsidiary, the Huasteca Petroleum Co., for 1912.

Perhaps before I read from this report I ought to tell about the organization of the Huasteca company. I have not referred to that.

After Mr. Wylie had been at Ebano in charge of operations there for four or five years and had developed a large supply of very heavy oil which was proving to be a satisfactory locomotive fuel, Mr. Canfield and I made up our minds that it was worth while to undertake to find oil of a different character which could be devoted to more diverse uses.

With that end in view we explored the regions to the north and south of Tampico and acquired some extensive properties there, shown on the maps which are attached to these annual reports which will be submitted later on.

Some of those properties were obtained in fee simple, as were the properties of the Mexican Petroleum Co. of California. Some were obtained by cash rental. We did not succeed in getting any of them on a royalty basis. The natives who wished to dispose of the land usually wanted to sell outright for cash or else receive a specific sum in cash annually for the right to the subsoil values. When we talked about a royalty, they did not have any faith in the discovery of oil, because none had ever been discovered. The material which promised a supply of oil was always considered a nuisance and a danger, and they would rather get some certain value for it than to run the risk of getting a profit as the result of the exploitation.

We therefore organized three companies, one, the Huasteca Petroleum Co., in which we put the largest tracts which we acquired in fee simple; the Tamiahua and Tuxpam Petroleum Cos. we organized with lands which we carried under lease, some of which we have since acquired the fee simple title to.

In order to acquire this property it was necessary to have roadways and other means of transportation from the city of Tampico through the jungles to our first scene of development. It was also necessary to be able to move this production to such market as we might find after production commenced. We adopted a plan of preparedness which did not commend itself to very many of our associates. That plan was to prepare for the thing which we hoped and expected to develop—prepare for the production of oil; so that when we commenced the development in 1909 of the Huasteca properties we also commenced the building of a pipe line 70 miles long, with 10 pumping stations and facilities for the storing of oil, all at a cost of about $1,700,000. At the same time we commenced to drill the wells. The facilities were ready even before the walls came in, and many of the people who knew about the efforts which were made to be prepared for a big production were rather sarcastic in their comments that they made upon our forehandedness. Never-

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theless, within a few weeks after the first well came in the pipe line was completed in time for the second well.

The first well, by the way, Casiano No. 6, we succeeded in shutting in as soon as it filled all of the storage tanks in this vicinity. The second well, Casiano No. 7, we brought in unexpectedly. The pipe not being cemented, the oil could escape from behind the pipe, and did escape through crevices in the ground, so that when the well was shut in a great spring of 3,000 barrels of oil flowed daily from the ground 200 yards away from the derrick, with the result that we had to leave the well open, with quite a flow into a reservoir and thence into a creek, and had to burn up several hundred thousand barrels in order to keep it from creating a greater devastation by flowing undirected.

This well started off with a production of about 70,000 barrels a day unrestrained and 25,000 barrels a day partially shut in, with a pressure of 285 pounds to the square inch. It came in on the 10th of September, 1910. It was 9 years old yesterday, and is flowing at the same rate that it did when it first came in. It has produced over 100,000,000 barrels of oil, all of which has been marketed and saved, except the first loss, which was occasioned by our not having the entire pipe line quite completed when it came in.

As to the other companies, we have never made much development on their properties, and they have remained as they originally were, the properties of the subsidiaries that I have named.

This report, therefore, of 1912 refers to the operations of the Huasteca Petroleum Co., which I have just described, and of the Mexican Petroleum Co. (Ltd.). I will rapidly read these parts that I have marked here for reading and then submit the report to the stenographer. This is dated April 8, 1913, and is the report for 1912:

HISTORICAL.

The companies owe their origin to the hope and belief of a very eminent railway manager and president (Mr. A. A. Robinson, of Topeka, Kans.) that, inasmuch as the discovery of fuel petroleum in substantial commercial quantities had been made by two of the organizers of your companies in the State of California, and that successful appliances and processes had been developed for the satisfactory use of the same as railway-locomotive fuel, that there might be found somewhere adjacent to the railway lines of the Mexican Central Railway, in the Republic of Mexico, deposits of similar fuel that could be likewise used profitably by said railway company in lieu of the high-priced coal fuel then and theretofore being imported into Mexico from the United States.

Encouraged by the liberal offers of assistance from Mr. Robinson, the president and first vice president of your company journeyed to Mexico early in 1900, for the purpose of prospecting for possible petroleum-bearing lands. Being pioneer prospectors of very many years' experience, they were not long in discovering the existence of plentiful surface indications, in the form of extensive oil exudes, which identified what is now the most productive (in proportion to the developments) and famous of all the oil regions of the world.

Their first trip was made in May, A. D. 1900. On a return trip, in August of the same year, they purchased two large haciendas, which now comprise the holdings (about 450,000 acres) of the Mexican Petroleum Co., of California. Upon their return to the United States they immediately proceeded to organize said company for the purpose of developing the lands so acquired.

Immediately after the organization of the company steps were taken to have it protocolized in Mexico, so that it would be authorized to do business in that Republic. The Department of Fomento of the Republic of Mexico at that time, as ever since, was earnestly endeavoring, under the laws of Mexico, to promote the investment of domestic and foreign capital in the building up of

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new industries. This department is authorized and empowered by law to grant certain privileges to companies and individuals creating new industries. Under the provisions of said law your subsidiary acquired the right to import, free of duty, for a period of 10 years, the materials necessary to develop the petroleum industry; also the right to immunity from all Federal taxes (except the stamp taxes) for a like period. The granting of this concession establishes the fact that the industry of producing petroleum was not then being carried on anywhere within the Republic of Mexico. Your company is, therefore, the pioneer in its line of work in that Republic.

The Mexican Petroleum Co. never asked for or obtained any other concession of any kind from the Government of Mexico. At the time that the Huasteca Petroleum Co. was organized, its lands being situated many miles south of Tampico and remote from any railway transportation, it was known to its organizers that pipe lines would be necessary for the transportation of any petroleum which might be developed, to Tampico, the natural delivery point of that region. A concession was, therefore, solicited and obtained from the Department of Fomento for the free importation of materials for the construction of such pipe lines and freedom from taxation for the customary period. Except for the concessions herein named, no concessions, special privileges, or aid have ever been solicited or received from the Government of Mexico, or any State thereof. All of the lands belonging to and controlled by your companies are either owned in fee simple, having been purchased from individual owners, or are held under lease at cash rental, under contracts with individual owners. Your companies acquired no public lands in Mexico, by concession or otherwise.

The reason for putting that in the report is the reason for now giving it to the committee, because we did not want to fall into the category of those who caused the Bolshevik tendencies to-day in Mexico, notably through the writings of people who are to-day largely responsible for the Bolshevik conditions in Russia.

I really should not comment very much on that, because when I go into the subject I get to expressing an opinion; and if I were to express my opinion of some of those who are responsible for the bloodshed in Mexico and the bloodshed in Russia, I might possibly be subject to a charge of libel.

The CHAIRMAN. If it would not interrupt your train of thought, and if you can recur to it, you used an expression with reference to your company's preparing to do business in Mexico that is not generally understood. Of course, you and I understand it. You referred to the protocolization of your company. Americans generally do not understand what "protocolization" means. You were dealing with an American company in Mexico?

Mr. DOHENY. Yes, sir.

The CHAIRMAN. What procedure did you have to follow?

Mr. DOHENY. No foreign company can have any standing in the courts of Mexico to defend itself or to initiate litigation for the purpose of acquiring any legal protection unless it is known in the courts of Mexico; and it becomes known through a law which provides for the protocolization or the registering of foreign companies. When a company is protocolized there, as I understand it, they can protocolize themselves either as a foreign company holding all of their rights as a foreign company, or they may protocolize themselves abandoning their right to appeal to their own Government, making themselves purely a Mexican company. This was stated to us by our attorney, and we asked him to have our company protocolized as a foreign company which retained all of its rights as such to appeal to its own Government for the settlement of any dispute which was properly subject of diplomatic appeal. So that our company is

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registered in Mexico in such manner that it may bring suits or be sued in the courts of Mexico in the ordinary way.

The CHAIRMAN. The method used is to have the Mexican Ambassador here certify that the company is legally organized under the laws of some State of this Union. With that certificate attached to the articles of incorporation they are taken before a court of competent jurisdiction in Mexico, which court appoints an interpreter. The interpreter, after regular court proceedings, makes a translation of all the documents and the court authorizes the company to do business and issues a testimonial or a copy of the articles of incorporation in Spanish. Under the Mexican law you then become authorized to do business and have all the protection of the courts.

Mr. DOHENY. Many of the legal acts which we had to perform down there were, of course, better known to our attorneys, and I did not give much attention to it.

The CHAIRMAN. Certainly. For that reason I call attention here now to it, because the majority of the American people do not know about it.

Mr. DOHENY. But it constitutes a notice that such an organization is there. It can not do anything surreptitiously, because its purposes, its own charter, are as well known to the authorities of that country as they are to the authorities of our own country.

The CHAIRMAN. And it legalizes you absolutely to the same effect, as a matter of fact, as if you have been organized under the Mexican law.

Mr. DOHENY. The next document which I wish to submit, and from which I will read a short passage, is the annual report of the Mexican Petroleum Co. (Ltd.) of Delaware and its subsidiaries, the Huasteca Petroleum Co. and the Mexican Petroleum Co. of California, for the year 1913. Most of these reports contain a historical statement of the company for the benefit of new stockholders each year, so that much of it reads very much like that of the former year, but it also refers to developments made and contains whatever there is new that will be of interest to the older stockholders.

What I am about to read now may be of interest, because it refers to the preparations which our company made to take care of the employees in Mexico. This is on the fourth page of the report for 1913, the last paragraph, beginning:

The company began its work in a country foreign to its stockholders. The place of beginning was more than 2,500 miles from the nearest oil-well supply establishment at that time. There was not sufficient population in the immediate vicinity of its property to supply the requirements of the company, and all classes of labor, skilled and otherwise, both foreign and native, had to be brought from distant places. The first development was begun in the midst of a tropical jungle, the effect of the climate of which had to be met by the immediate installation of proper sanitary facilities for the workers. The native laborers, while working for a very low wage (36 centavos per diem), were not accustomed to the continuous application which was necessary in the opening up of an oil field. The American imported workingmen found it difficult to perform their customary duties in the much warmer climate of that region. The railroad companies had to be persuaded and educated to use the oil as fuel. The same was true of all the other Mexican industries, which have since come to depend for fuel upon the production of the oil fields. The competition of a wealthy and well-established paving corporation in the City of Mexico had to be met before a market could be found for any of the asphalt product of the company's refinery. The very limited and slowly increasing market did not seem to justify carrying on development at a very extensive

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rate. Nevertheless, the stockholders of the Mexican Petroleum Co. showed their faith by authorizing the immediate installment of an ice and cold-storage plant, a sawmill, a machine shop, a boiler and blacksmith shop, an electric plant, an asphaltum refinery, a cooperage plant, a large warehouse, the building of 15 kilometers of standard-gauge railway, the purchase of 2 locomotives, of 25 tank cars, the building of one-half a million barrels of steel oil storage, the building of proper housing for employees, the employment of a competent doctor, the provision of a fully equipped modern hospital, and the construction of a 6-inch water line from the Tamesi River, 14 miles distant, with necessary pumping station.

Before any other company commenced to produce oil in Mexico the Mexican Petroleum Co. had been in operation for four years, had produced and sold several million barrels of oil, had contracted to supply for a period of 15 years the Mexican Central Railway Co. with 6,000 barrels of fuel oil daily, which contract it still continues to fill, and to which it has added contracts with the National Railways of Mexico, the Interoceanic Railway, the Vera Cruz & Pacific Railway, and the Mexican Southern Railway, thus supplying with fuel oil nearly 85 per cent of the railway mileage of Mexico until May 10, 1920. The total production of the Mexican Petroleum Co. up to March 5, 1914, was 15,020,927 barrels of oil. The company now owns 450,000 acres of land in fee; its (pioneer) concession having expired four years ago, it has no concession of any kind. The titles to this land, which were purchased from individual owners, are traceable back through said owners by documents in the possession of the company to the year 1583.

Owing to the unsettled condition of the country during the year 1913 a limited amount of drilling was done on the property of this company, one well having been completed in the company's 'Chijol district' having a capacity of 1,500 barrels daily. The producing capacity of the older wells has remained unchanged during the year. However, they have not been permitted to flow to their full capacity because of the interrupted and uncertain deliveries of oil to the company's customers. As no change can be discovered in the character and quantity of the production, we feel warranted in holding the belief that the present rate of production can be continued for many years to come and can be greatly increased by drilling whenever conditions justify.

In this same report I have devoted a chapter to the disturbed governmental conditions in Mexico; and I want to say here that attached to this report is a map of that portion of Mexico on which our properties are situated, which was copied from the very best Federal map of Mexico and which contains marks indicating just what property we acquired.

This chapter begins:

It is not possible to analyze the indirect effect upon general business in Mexico—the business of foreigners in that country—the business of Americans—the Mexican oil business in general—and the business of your particular companies, without dissertating upon the vexed questions of that Republic in a manner entirely at variance with the policy of the management of your companies. Your company officials have always endeavored to hold the company in an absolutely neutral position with reference to political affairs in Mexico, discouraging all expression of opinion on the part of its employees, and at all times meeting all of its legal obligations to the de facto Government in control of the vicinity in which its business is being done.

Much has been printed, by many newspapers and other periodicals in the United States, on the one hand about the unfair exploitation of the people of Mexico by wealthy and so-called grasping corporations, owned and controlled by foreign capitalists, and on the other hand about the unjust and flagrant violation of their rights and violent interference with their liberties on the part of the different Mexican authorities toward foreign corporations and their employees. It is not our desire to animadvert upon the correctness or fairness of such publications. It is deemed advisable, however, owing to the immense amount of information and misinformation that has been given publicity with regard to Mexicans and their attitude toward foreigners, and especially Americans, to enlighten you as to the real situation anent your companies.

From our first advent into the jungle regions of the Huasteca, 30 miles west of Tampico, then a commercially unknown, though favorably situated, port on the Gulf of Mexico, your management was under the necessity of dealing with

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Mexican people of every degree of poverty, wealth, education, social and political standing. Your lands were purchased from landowners and prices paid therefor higher than had ever before obtained in that region. In fact, your agents found the hacendado a keen, shrewd trader, not easily hurried into concluding a bargain, who formed his conclusions as to the price he should put upon his property as much from the eagerness displayed by the would-be purchaser as from its value to himself, or the ordinary prevailing prices. Every landowner who sold us land during the early years of our operations was the envy of his neighbors, and was convinced that he had made a good bargain. Our Mexican attorneys, who were among the most prominent in the Republic, were convinced that we were paying altogether too high prices for these lands and often advised us against our seeming waste of money, because our desire to accomplish as much as possible in a short space of time frequently resulted in the price of desired lands being increased greatly by the owner, who, like our attorneys, had little faith in the ultimate success of our efforts to develop petroleum, and regarded the opportunity that offered of selling their land as being an especially fortunate epoch in their lives.

The commencement of development gave us our first introduction to the Mexican laborer, generally known as the "peon," and let me say here, in contradiction of all that has been heretofore said or may be said hereafter, that the Mexican "peon" is, and has been from the beginning, for us a most satisfactory employee. He performs his task whether in the cold, drizzly weather of the "norther" season or under the full glare of the tropical noonday sun with as much fortitude and much more good humor than the average laborer of any class known to the American employer. He prefers "piecework," called "tarea" work, to day's work, because with the former arrangement he can work at will, beginning his task before sunrise, resting during the midday heat, and completing as much as he desires to do during the cooler hours of the evening. He will work, however, at day's work, and work well, according to his knowledge and experience in the work he has to do.

Your companies have constantly employed for more than 13 years from 2,000 to 5,000 peons, provided them with food and housing for themselves and their families, thus bringing your officials into direct contact with and maintaining upon your properties from ten to fifteen thousand people. All of the centers of employment were established at places that had heretofore not been occupied. In other words, at the scene of your oil developments new towns have sprung up, five of which are now established centers of population where are to be found every convenience of the most modern farming or mining town in the United States.

At this point I would like to submit a photograph of the schools down there, and of the children coming from them. I do this in defense of our company against the possible inferences from the creditable work being done by other institutions that the oil companies are neglecting the children in their part of the country. This is a picture of the school children, and this is a picture of the schoolhouse on the Huasteca Petroleum Co.'s property. Those school children were taught by teachers who were nonsectarian, and the buildings are open to any representative of any church who may desire to come there and use it for religious purposes.

The CHAIRMAN. At whose expense was that schoolhouse built?

Mr. DOHENY. All the work done on all our properties, including that house, was done at the expense of the Huasteca Petroleum Co. and the Mexican Petroleum Co.

The CHAIRMAN. How are the schools maintained?

Mr. DOHENY. They are maintained at the expense of our company's treasury. If you desire, I would like to leave those pictures as part of my testimony.

The CHAIRMAN. They are so interesting that we will make an effort to have them put in the printed record.

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Mr. DOHENY (reading):

These five places are Terminal, Ebano, Tres Hermanos, Casiano, and Cerro Azul. Telephones and electric lines, automobile roads, good brick, stone, and lumber houses for offices and dwellings, store to accommodate the needs of the population, good bathing facilities, absolute absence of any liquor-vending establishment, a schoolhouse for children, an officer to maintain peace and order, these are the things which distinguish the oil camps established by your companies in these hitherto primitive regions.

The "peons" have collected in these camps from every direction, largely from the table-lands of Mexico, although a great many of the laborers belong to the native Indian population of the Huasteca.

I want to call your attention to what I am going to read now, Mr. Chairman, because you are familiar with the western towns of the United States.

It is quite noteworthy that although the Ebano, now more than 13 years old, has had a population varying from five to ten thousand people—

In 1913 the population was from two to seven thousand people. [Continues reading:]

All of the adult males of which were constantly employed at good wages, it has never been distinguished by that first and most familiar addition to the western prairie or mountain town in the United States, a graveyard occupied by men who "died with their boots on." No Mexican, nor, for that matter, American, has ever been killed in a quarrel among our employees.

The "peon" first came to your company to take employment at 50 cents Mexican currency per day, at a time when the Mexican peso was worth 40 cents in American money. The 50 cents paid by us was a large increase over the 36 cents per day which was the going wages in that country before our advent. The labor supply not being plentiful, inducements were offered to men to come from more distant parts of the country, and the rate of wages was increased to 60 cents, then to 75, and within two years to $1 per day. The more apt laborers were, as necessity suggested, given employment that required more skill and their wages were correspondingly increased. At the present writing we are paying from $1.50 to $9 per day, Mexican currency, to Mexican workingmen of various degrees of skill and intelligence.

I may add that at the present time, in 1919, the lowest wages we pay is $2.50 per day, and we pay as high as $16 per day to Mexican workingmen. Most of the skilled workingmen have developed their skill on our own properties. [Continues reading:]

At your companies' stores, all of the employees have ever been enabled to purchase such goods as are sold, at prices which did not contemplate any profit to the company.

Any profit that might be shown on the books was always credited to the stores and the prices lowered accordingly, so that our stores have been maintained at a risk of loss, and at no profit. [Continues reading:]

They are furnished with pure drinking water, plenty of ice, the care of a doctor when required, and their houses are, at the company's expense, inspected and kept in good sanitary condition.

I wish to say that we did not go any further, because we did not want to make ourselves competitors of he merchants in the country. We only wanted to supply our people with such things as they must have from day to day and could not get in the town. [Continues reading:]

To the merchants of Tampico and the surrounding country, the establishment of our industry has been a great boom. The company stores were merely supplied with such goods as it was absolutely necessary for the inhabitants of your camps to have at hand for daily consumption. The system else-

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where in vogue, of supplying practically all the needs of employees from company stores, has not been adopted by your companies. Consequently, the bimonthly payments of large sums in wages to the thousands of workingmen in your employ have necessarily increased the business of all producers, merchants, and vendors of goods and food, of whatever character, thus adding very materially to the general prosperity of that section, the industrious population of which had been and is being, as hereinbefore stated, greatly increased by the importation of Mexican and foreign employees, to carry on the business of oil development.

I might interject this statement, in proof of the last paragraph I have read, that the town of Tampico had a populaion estimated at about 8,000 in 1900, when we first went there. Its streets were paved with rough stones, lower in the center than at he curb, which made the center of the street the natural drainage and, I might say, sewerage of the city. The city now has a population of fifty to sixty thousand people. It has many new business blocks built by the American people. Its streets were paved by our companies with arched centers.

Before we paved the streets an American contractor took the contract and put in a good sewerage and drainage system, and a good supply of healthy water has been brought in, so that Tampico to-day, with its fifty or sixty thousand population, is not only one of the most sanitary but is one of the busiest and has one of the happiest communities of any city in the world, not excepting the United States. And it is the only city in Mexico which to-day can lay claim to all the advantages that I have named, and which are directly traceable to the advent of Americans into Mexico, in a business which had never before been carried on in that Republic. [Continues reading:]

At the time that your company made its first contract with the Mexican Central Railway Co., in August, 1900, that railway company was paying $4 a ton United States currency for coal fuel delivered to it at Tampico. Later, when deliveries of fuel oil were actually begun to the railway company at 75 cents American currency per barrel, the cost of the coal which the railway company was buying, delivered at Tampico, had been reduced to $3.45 United States currency per ton, 3½ barrels of oil being fully the equivalent of 1 ton of coal. All economies considered, it is easily understood how it was possible, as stated by the vice president of the Mexican Central Railway, for said company to save 50 per cent of its former fuel cost on such locomotives as were converted to use oil fuel. The labor of handling the fuel on the locomotives was also changed from the man-killing process of shoveling coal in the hot, tropical weather to merely giving proper attention to the automatic oil-burning appliances substituted therefor.

I want to say, in connection with what I have just read, that from this paragraph this conclusion is inevitable: That is, that the railway which at that time—the time of this report—was largely owned and controlled by the Mexican Government, was saving in fuel cost a larger amount of money than was actually being paid for the fuel to the oil producers. So that the profits which, as has been said, might be shown in the oil business, was at that time shared to a certain extent by the Mexican people, in better wages to the employees, a better price for goods, more profit on goods because of greater quantities sold, taxes upon the oil produced, stamp taxes upon all the books used to keep account of oil operations, and, last but not least, an amount of profit which was equal to the entire price received for their efforts by the oil companies, in the way of a saving on fuel used by a railway which was one-half owned by the Mexican Government.

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It seems to me, therefore, Mr. Chairman, that the charge that the only people who derived any profit from the production of oil in Mexico must have been made by people who were not informed as to the Mexican oil situation. [Continues reading:]

You can thus realize that the pioneering begun by your company and afterwards supplemented by many other oil developers resulted in the increase of wages from 36 centavos per day to an average of more than 200 centavos per day and the establishment of better living conditions and increased opportunities for employment to all the laboring people in that part of Mexico.

It increased the market value of his land to every landowner of the Huasteca region to whose property even a suspicion of oil value attached from the nominal price of 1 peso per hectara for unimproved, and 10 to 15 pesos per hectara for improved farming land, to the extravagant prices which are now being obtained by many landowners for lands that it is deemed advisable to exploit for oil production or oil-stock selling.

It reduced the cost of fuel to the railways and all industries that were so situated that they could take advantage of the substitution of oil for coal fuel, an amount greater than the total amount received by the oil producers for the oil thus consumed in Mexico.

In brief, your company discovered the basis for, and pioneered the development of, a hitherto unsuspected resource in the Republic of Mexico, which increased wages and brought about better conditions of living for all the poor people, which increased the land values for all the landowners, which gave increased business to all the farmers, merchants, bankers and artisan, which reduced the cost of operation to the railways and other industries, all without taking away from any individual, municipality or political division of Mexico, anything the existence of which had theretofore been known or even suspected. We, therefore, clam that those who, even in their minds, include the petroleum companies among the corporations that have exploited the people of Mexico or their country disadvantageously, are misinformed, or have not given proper consideration to the true history of petroleum developments in Mexico.

Your company, and so far as your officers know, all petroleum companies in Mexico have been a blessing to the communities in which they have operated. They deserve the respect and protection of the Government of Mexico and of the United States. They deserve the good feeling and friendship of all the people of Mexico, and particularly of those residing at and near Tampico, who have been more directly benefited as before related. They deserve commendation of all people everywhere, because of their confidence in nature's resources which gave thenf courage to undertake developments in a new region of hitherto unsuspected wealth, the first step in the carrying out of which necessitated the establishment of modern villages, and the bringing of opportunity for honest employment at good wages, and the necessary education and enlightenment which accompanies such employment, to a multitude of human beings not formerly so fortunate.

Notwithstanding much that has been reported which might suggest the contrary, we believe that the feelings of the Mexican people of our vicinity toward our companies have largely been influenced by the above-mentioned considerations. As to their attitude, we have this to record: That during more than three years of internecine strife, carried on in a country rough and wild in its character, sparsely populated, with few railroads and few wagon roads, where none were anxious openly to declare allegiance to either contending party, where more or less disorganized bodies of armed men roamed at will, privileged to commit depredations upon those who were suspected of opposing the party to whom they professed allegiance, no attack was ever made upon your employees or your companies' oil camps.

Frequently armed bodies of men invaded your camps, demanding food and money, and taking such arms as they could find; and live stock as they required. Their demeanor toward the camp superintendents was invariable courteous, and no malicious destruction of property was ever indulged in. Even at the time in the latter part of April and during the first half of the month of May of the present year, when the feeling against Americans ran very high in all parts of Mexico, and especially near Tampico and in the State of Vera Cruz, when it was deemed necessary that all Americans should withdraw from that

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part of Mexico, which they did, and left the property of oil companies of great value scattered throughout a wide region entirely at the mercy of a people with whom it seemed probable our people might soon be at war, the natural fidelity of the Mexican employee and his friendliness toward your company, which had been a friend to him, was amply demonstrated by the care with which he conserved the property left in his charge. Except for the appropriation of horses, mules, automobiles, auto trucks, cattle, etc., as necessary war measures by both armies, no damage was done or permitted to be done to any of your company's properties. The provisions of every sort—store supplies, small hardware supplies, and many other valuable and easily removable articles—were entirely unmolested.

No act of vandalism was perpetrated against the oil reservoirs, pipe lines, pumping machinery, or refineries. The product of your continuously flowing wells was so faithfully conserved by the Mexican employees in charge that your general manager was able to report that not more than 5,000 barrels of oil were lost during the 30 days' absence of your American employees from the properties.

Upon their return to the property, they were welcomed by the Mexicans in charge as returning friends, not as whilom enemies. The business of the company was resumed as before the hegira of the Americans, and your company's officers recognize that the company and its stockholders owe a debt of gratitude to these particular individual employees, and that the Mexican working people are entitled to more respect and confidence than had theretofore been positively known.

This rather unusual accompaniment to the annual report of a corporation is submitted to you for the purpose of convincing you that the basis of your company's business in Mexico is not such as to class it among the so-called predatory corporation that exploit a people and a country and derive sustenance and profit by sapping the life blood of the country and unjustly withholding the profits due to labor. Neither is it so regarded by the great mass of the people of its acquaintance in Mexico.

It thrives on no special concessions; its lands were all purchased outright, at higher than going prices; the labor and material it uses are paid for with honest money; the result of its development have been beneficial to all affected; the profits which it made were more largely shared by the Government-owned railways of Mexico than by ourselves, the stockholders; the millions of dollars expended for all purposes have by no means all been recovered in the form of dividends. The principal part of your great investment is represented by the lands honestly acquired, which have great value, and by the developments judiciously made, which have produced gratifying results.

I want to submit this for your files, if you care to use it, Mr. Chairman.

The CHAIRMAN. It will be filed.

Mr. DOHENY. Each of these reports contains something worth while reading, it seems to me, to throw some light on the subject, but this one, I assure you, is the longest one, and you will not be tired by the sound of my voice in connection with the other reports, as in connection with the one just submitted. These others contain more pictures and fewer words, and probably will be more interesting and instructive.

I want to read from page 41 of the annual report for 1914 of the Mexican Petroleum Co. (Ltd.), of Delaware. I copied in this report a part of the last report, because I thought there were so many new stockholders of the company that they might be interested in knowing what we had to say the year before, which still applied to the present situation for the current year. So what I first read will be with reference to this excerpt from the last report.

The above excerpt is quoted from the report of last year, because the facts and opinions therein expressed have not in any way changed.

During the past 12 months of continual struggle between warring parties in Mexico, each endeavoring to obtain ascendancy over the other and establish

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a Government with officials of its own choosing, large bodies of armed men have moved back and forth over great areas of the country foraging upon the towns and farms, bringing about much destruction of property and causing a state of fear and unrest to pervade communities everywhere, with the result that business of nearly every kind has largely stagnated, but more especially the business of producing foodstuffs.

The region where your properties are situated is the latest to become the scene of struggle for possession on the part of the warring parties. Immediately after the taking of Tampico from the Huertistas by the Constitutionalists, in May, 1914, an era of peace and progress began in the Huasteca region. Your companies, and many other oil companies, resumed work of development, which gave employment at good pay to all who desired work. The schism in the ranks of the Constitutionalists later on did not immediately affect conditions in the Huasteca oil region.

I might say the schism I referred to is that resulting from the disagreement between Villa and Carranza. [Continues reading:]

Toward the latter part of 1914, however, the railroads of Mexico having largely fallen into the hands of the particular division not in possession of the oil regions, an effort was made by them to drive their adversaries away from the only available native sources of supply of locomotive fuel. This caused the coal fields north of Monterey and your oil district at Ebano to become the scenes of many sanguinary conflicts. The party that held the town of Ebano nearly all of last year is still in possession of that place, but besieged by a large army of the opposing force.

I want to say that the town of Ebano and the oil camp were besieged for four months by Tomas Urbino, with about 14,000 Villa troops, and it was held in opposition to him by Jacinto Treviño, a Carranza general with about 6,000 troops. As a result of the siege of Ebano hundreds of cannon shots penetrated our different steel reservoirs, making holes from 4 inches to 8 inches in diameter, through which the oil escaped. Our pipe lines were broken, the smokestacks shot away from all our refineries, our office buildings partially destroyed with cannon shots, hundreds of thousands, probably millions of pockmarks on the steel tanks where rifle bullets struck them without penetrating, and about 800,000 barrels of oil destroyed, showing that the siege was not merely an attempt to starve out, but an actual attempt to capture the town, which was favorably situated for defense, and which was surrounded with trenches in every direction occupied by the attacking force, at a time, I think, prior to the making of any trenches of the European war; at any rate, contemporaneous with that time. [Continues reading:]

As a result of the war in the neighborhood of Tampico, food supplies have been cut off and the quantity on hand either commandeered for military uses or almost entirely consumed. There was little or none for sale in the market places. A large number of the poorer people in Tampico were facing starvation. Upon being notified by your terminal superintendent of these conditions, your management immediately authorized the purchase in Texas of quantities of rice, corn, beans, and flour, their transportation to Tampico and distribution among the people, thus relieving the situation. At the present writing there is no actual want in that city, although conditions farther south in some of the interior towns are pitiable and fast becoming alarming, ordinary articles of food, such as flour, rice, corn, beans, etc., being entirely exhausted.

This account of the conditions, and the action taken by your officials, is given here so that you may appreciate the fact that the Mexican Petroleum Co. and its subsidiaries are known in Mexico as the friends of the people and the supporters of no faction.

In conclusion we feel rather grateful to say that, notwithstanding the four years of changing governmental conditions in Mexico, no great direct loss or injury has been suffered by your companies because of the struggle for su-

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premacy between the opposing parties in that Republic. The indirect loss, because of the interruption to business, was necessarily very great. The direct losses, while considerable, were entirely incident to war conditions and were not the result of malice or desire on the part of any of the warring parties to injure your properties. The interruption to your business, due to the great and deplorable conflict in Europe, have also caused substantial indirect losses.

I would like to submit this copy of this report of 1914.

The CHAIRMAN. It will be filed.

Mr. DOHENY. This accumulation of evidence is offered just for the purpose of showing the attitude of foreign corporations, and I think I am justified in saying that every other company down there has assumed the same attitude; that there has been no effort made to favor any faction, and while the individual employees, both Mexican and American, may have had their own likes or dislikes, or their own opinion as to who ought to succeed, it has never been allowed to influence our companies or, I am quite sure, any other company operating in the Huasteca region.

I am going to read an extract from our annual report for 1915, on page 11. This is going to carry you back to a time which precedes the organization of our companies. I quote in this report a letter which I tried to find, and telegraphed to New York yesterday for it and was unable to get it, that I wrote to Mr. R. C. Kerens, of St. Louis, who has since deceased, but was formerly United States ambassador to Austria. This letter shows what we thought about the country in 1900, when few people knew anything about it, and fewer had any faith in the success of our enterprise down there. I quote from my letter to Mr. Kerens:

The geological construction of the country we found to be somewhat similar to the eastern portion of the Joaquin Valley in California—the sedimentary rocks being still practically horizontal—the disturbances, therefore, being very few and not very extensive.

In that particular I want to acknowledge that I was wrong.

The oil exudes of that region are to be found in the locality of these disturbances and are of the most promising character. The place visited in June, near Chijol, about 3½ miles from the Mexican Central Railway, was such as to enthuse us very much as to the prospect of developing oil there in large quantities and suitable for fuel purposes. A visit to a point called Cerro de la Pez, about 3 miles from the Mexican Central Railway, on the south side of said railway, not only confirmed the opinion which we formed at our first visit but satisfied us beyond all doubt of the existence of a very extensive region which is underlaid with a rich deposit of oil-bearing sand, the oil from which makes its appearance on the surface at such points as the disturbances in the overlying rocks will admit of.

At the particular point above referred to we found a conical-shaped hill, the apex of which was composed of a dark, crystalline rock of igneous origin, which had undoubtedly been forced up through the sedimentary strata. From the rocks so disrupted the oil had exuded and flowed down the hillside into the valley, forming great beds of asphaltum by passing off of the volatile parts thereof. At various points around the base of the hill the gas and oil could still be seen issuing from the ground; and at one point a great pool of oil had accumulated in a depression immediately overlying the point of exude, and the gas rising through the oil kept it in a constantly boiling condition, the bubbles and froth formed by the escaping gas covering the surface of the oil. Mr. Canfield ran a pole down into it to a depth of 10 feet or more and "swished" it around, demonstrating that there was quite a pool of oil of excellent quality for fuel purposes. The nature of this exude would indicate that that the quantity of oil was not only considerable, but that the gas pressure would be great enough to insure wells of large daily production, and probably sufficiently light in quality to be more valuable for other purposes than for fuel.

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We visited other oil exudes on the same rancho, and examined in many places the rock exposures, and satisfied ourselves fully that the existence of these asphaltum deposits at such points as the oil prospector would naturally expect to find them, taking into consideration the stratigraphy of the country rocks, their frequent occurrence over such a large area, and their similarity in every respect to the very best and richest exudes to be found in California, justifies the belief that we have obtained possession of a vast field of liquid fuel, which may possibly prove to be more valuable as a refining oil.

Without wishing to make it appear that we are extravagant in our ideas, we do not feel at all timid in saying that the Mexican lands which we have acquired have all the earmarks of containing within their limits oil territory equal in oil value per acre and many times greater in extent than the Bakersfield district in California.

This letter was written in September, 1900, and before the organization of the Mexican Petroleum Co.

In February of the following year—1901—the Mexican Petroleum Co. (California) having been organized, the first work of development was undertaken at a point on that company's property, now known as "Ebano," then merely a kilometer post on the Tampico branch of the Mexican Central Railway, 35 miles west of Tampico, in the midst of a tropical jungle, and likewise well within the boundaries of a 400,000-acre tract belonging to the Mexican Petroleum Co. in fee and fully paid for.

With supreme faith in the accuracy of their judgment, the managers of the Mexican Petroleum Co. procured the building of a railway siding and the establishment of a station, which they named "Ebano."

Ebano has the distinction of being the first oil camp established in the Republic of Mexico. Its founders were ardent believers in "preparedness." Not without misgivings on the part of some stockholders and directors who invested in this enterprise because of their faith in its originators, the camp at Ebano was early provided with facilities which are usually considered as justifiable only where a permanent industry is to be established. An ice and cold-storage plant to provide pure distilled water and proper refrigeration for meats, etc.; an electric-light plant to furnish light which would not menace the safety of the camp from possible gas development; a sawmill and carpenter shop to facilitate the construction of proper housing for men and supplies; an up-to-date machine shop, blacksmith shop, and oil-supply warehouse all followed each other in quick succession as important adjuncts of the new camp.

I might read more from that on that same subject of preparedness, and if it suits the chairman I can do so.

The CHAIRMAN. Just suit yourself.

Mr. DOHENY (reading):

Within a month after the first drilling rig was completed the prophecy of satisfactory oil development was fulfilled by the bringing in, at a depth of 525 feet, of a well which yielded 50 barrels of oil daily.

Disappointed in finding a market with an expected customer—located in a country where oil as a fuel substitute for coal was entirely unknown—with a product so heavy that it offered little inducement to refine it for illuminating or lubricating oils, the prospects of profiting by the discovery thus made seemed so remote that the holders of a large proportion of the stock of your oldest company withdrew their support and disposed of their interests.

The certainty, however, of eventually developing a sufficient market to justify the enterprise was so great in the minds of a few of the stockholders that the work of development was continued and an efficient operating organization provided.

For five years the annual reports to the stockholders were most monotonously similar in their recital of substantial sums expended with encouraging results, so far as production was concerned, but with practically no sales and no net earnings.

I might say that continued for nearly five years more, so that those who think the American oil developers who went into Mexico

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found a bonanza at hand by means of which they immediately became rich need to study the history of the first 10 years of occupation of the oil territory by Americans.

Eventually a contract was made with the Mexican Central Railway Co. to supply its locomotives with fuel oil for a period of 15 years. Eleven years of that contract have expired and neither the railway company nor the Mexican Petroleum Co. have defaulted in their compliance with its terms, except as prevented by "Fuerza mayor." Sixteen million barrels of oil have been delivered and consumed in its fulfillment. Its operation furnished nearly the whole basis for many very satisfactory annual reports.

Six years after the establishment of Ebano, and still before the advent of any other oil companies in that part of Mexico, the wonderfully rich lands—now owned and controlled by the Huasteca Petroleum Co. and its subsidiaries, the Tuxpam Petroleum Co. and the Tamiahua Petroleum Co.—were acquired by the founders of the Mexican Petroleum Co. (California).

Six years of experience in Mexico in developing and supplying a market for petroleum and its products had forewarned your associates against the errors which many others have later committed. Having visited the scene of the abandoned efforts of the late Cecil Rhodes and other British financiers to discover petroleum under the guidance of the most prominent and widely known English "oil geologists," and having purchased, or acquired under terms of cash rentals, these supposed "oil lands" from native owners, who were skeptical of their oil value and unwilling to lease them on a royalty basis, but willing and anxious to sell for cash, your associates then determined to carry out their policy of "preparedness," which was to be rewarded so satisfactorily after the five years of persistent application, without return, on your Ebano property.

I might say here, to throw a little light on the history of oil development in Mexico, that many years before we undertook to prospect Cecil Rhodes, the great explorer of South Africa, had his attention called to the possibilities of Mexico A company was organized, called the London Oil Trust, through the efforts of a man named Burke, who was an associate of Rhodes, and operated under the direction of the late Sir Boverton Redwood, who died last year, a most eminent oil geologist They expended over £90,000 without any results, and abandoned their efforts

We now have on one of the properties which they acquired, but a short distance remote from their attempted development, developed the greatest oil well the world has ever known and probably ever will know—Cerro Azul No. 4—which yields the measured production of 261,000 barrels per day

In 1909 the machinery for drilling several wells, the pipe for building 70 miles of 8-inch pipe line, 10 mammoth oil pumps for the establishment of five pumping stations, 70 miles of right of way, and hundreds of acres of land for storage tanks, and twelve 55,000-barrel steel tanks to complete the first unit of development were all planned for, purchased, acquired, and constructed in anticipation of the oil development which followed.

These acts of "preparedness," at a cost of nearly $2,000,000 (American gold), were not fully completed when the first great gusher at Casiano was "brought in." The second gusher followed close upon the first, being completed on the 11th day of September, 1910.

I see I was mistaken, Mr. Chairman, in my statement a while ago. It is nine years old to-day.

The storage tanks at Casiano had been filled by the first gusher. The pipeline to Tampico, 70 miles distant, was not yet quite completed. A delay in acquiring a right of way left a gap of 12 kilometers in the line, when Casiano No. 7 commenced to belch forth oil at the rate of over 60,000 barrels per day. The unexpected bringing in of this gusher made it impossible to complete control of the well. When shut in to about 285 pounds pressure per square inch it yielded

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oil at about 25,000 barrels per day. When completely shut in the oil flowed to waste through numerous crevices and around the outside of the casing. As a result the right of way was quickly obtained and the 12 kilometers (about 7 miles) of the gap in the pipe line were completed in less than a week.

It required nearly 18 months' time to purchase the right of way, acquire and lay the pipe line, and construct the pumping stations. If preparation to store and transport the oil had not been begun until after Casiano No. 7 was brought in, your company would have lost oil at the rate of 750,000 barrels per month during all of the time that was required to build sufficient storage and a pipe line to care for it.

The annual report for that year should have brought much satisfaction and consolation to the stockholders of the Mexican Petroleum Co. (Ltd.), which had already been organized two years. It contained so much of mere promise, however, and such a long recital of expenditures and debts incurred, and so little in the way of net earnings, except such as consisted of oil placed in storage, for which there seemed, to them, no adequate market, that one of your oldest officers and directors (whose faith in the enterprise, by the way, is evidenced by the fact that he has increased his holdings of stock and securities every year during the 16 years of its existence), stated in a semijocular tone, "If our prosperity were much greater, it would bankrupt us."

That was after we had been 10 years in Mexico. We had made such immense sums of money by robbing the Mexican people that one of our stockholders, a man 80 years of age, said if we had a little more prosperity we would go bankrupt.

As in the years from 1901 to 1905 with the Mexican Petroleum Co. (California) when its wells were capable of producing many thousands of barrels of oil daily and no market was available, and the company was financially unable to build adequate storage, so the Huasteca Petroleum Co. seemed to be confronted with a similar situation, except that it was financially able to and did provide standard steel and concrete storage to the amount of over 10,000,000 barrels capacity.

Nevertheless, the advantage of a substantial and adequate market appealed to your management, with the result that two substantial contracts were quickly entered into, which extended over a period of five years each. The earlier contract has already been completely filled. The second and larger contract for 10,000,000 barrels will be completed in August of this year. It is obvious that these deliveries were necessarily made at the end of the company's pipe line in Tampico Harbor.

A campaign was immediately entered into for the sale of larger quantities of oil for fuel and other uses locally in Mexico. The possibilities of such a market were soon largely exploited with satisfactory, though necessarily limited results. The great need of your company at that time was an unlimited market, which could only be reached with marine transportation facilities. Unremitting and unsuccessful efforts were made to acquire tank vessels by charter. Without depending, however, solely upon the chartering of vessels from strangers, your associates formed a company to contract for the building of necessary tank steamers for the purpose of placing the same at the service of the Huasteca Petroleum Co. A fleet of six steamers was contracted to be built in England. The first of the fleet, S. S. *Herbert G. Wylie*, was received in February, 1913, and the remaining five by due course of contract.

I think, Mr. Chairman, that unless you desire me to read further I will submit this annual report for 1915 for such purpose as you desire.

The CHAIRMAN. It will be filed.

Mr. DOHENY. I merely desire to comment on this by saying that not only had no American oil company, except our own, paid a divident on its stock, but that all of the investments made in Mexico which resulted in the discovery of oil would have been absolutely useless except for the enormous investments made outside of Mexico. So that brings me to the point of calling your attention to one of the great errors made by Mexicans and Americans as to the value

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of Mexican oil. It is not exactly a parallel illustration, but I am going to use it, nevertheless, by saying that the value of oil underground, that is not known or demonstrated to exist, is measured by the oval circle. When it is brought to the surface it then bears the same relation to its value at a market that any other substance does.

And I want to state that there are oil wells in Mexico to-day that, if their valves were opened, would produce a large amount of oil, but the owners have no pipe lines, no harbor facilities, no tank steamers with which to carry it to market, and consequently the oil has very much the same value, so far as the present time is concerned, as ice has in the continent of Greenland. If it could be transported to New York or Washington these warm days it would undoubtedly find a ready market and be very valuable, but nobody would pay a very high price for it in its present location. That is true of the oil underground in Mexico, even where wells have tapped it and it is available. So that the taxes, such as Mexico has placed to-day upon oil, should be compared with its value at the derrick, not at New York City, where American capital has expended millions upon millions of dollars in building refineries and storage facilities and tank steamers for transporting it. The taxation to-day levied by Mexico on oil products runs from a minimum of 20 per cent to over 50 per cent of the value at the well. That can easily be demonstrated by figures, and if your committee is interested in that phase of the dispute between the oil companies and the United States Government on the one hand and the Mexican Government on the other, we will be glad to submit a table illustrating our ideas of what the values are in Mexico, and what percentage of that value we are paying in the way of taxes to the Mexican Government.

The CHAIRMAN. We will be glad to have the table submitted. The Treasury Department of the United States has requested the committee to furnish it with eight copies of the hearings of this committee, as the hearings proceed.

Mr. DOHENY. I read briefly from the annuel report of 1916, a marked paragraph, on an unnumbered page, but it is the next page to the last:

During the month of November, 1916, the president of your company, accompanied by several of the officers and some stockholders, with their wives, visited Tampico by sea and went to the various parts of your properties, including Ebano, 38 miles west of Tampico, and Cassiano and Cerro Azul, 90 miles to the south. The traveling to the interior was done without arms, without a guard, wholly unprotected, and with no expectation of other than the very best of treatment from the people who might be encountered, in which we were not disappointed. Another trip of inspection was made during the month of March, 1917, covering the same ground. The party, 15 in number, included the president, two vice presidents, and several large stockholders of your company, also representatives of several influential New York financial houses and journals and some California oil men not interested in your stock. As to the physical condition of the property, the "esprit" and optimism of the local management, the demeanor and attitude of the people of the country, and the prosperous and active appearance of the vicinity and business generally, and especially that of your companies, all the visitors expressed themselves in the most enthusiastic language.

There is a particular reason for reading that one paragraph. The report has much in it that may be of interest, and if you desire I will file it. The reason I have read the one paragraph is because I wanted to call attention to something which most people up here in

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the United States, and even most Mexicans, do not seem to understand, and that is that there is an immense amount of risk attached in going to any part of Mexico by rail. Consequently my voyage with my wife and friends and their wives was made by water from Galveston to Tampico. After we reached Tampico and were in the vicinity of the oil camps we thought it was safe to go through the oil region with our people. That was a little over two years ago. So that the security with which Americans prospected and traveled, both for pleasure and for business, all over Mexico 20 or 30 years ago and up to 10 years ago was narrowed down to a much smaller region as soon as political troubles commenced, and that, of course, in my opinion, was very natural. The district in which it was safe to go has since narrowed, until to-day it is deemed unsafe to even go in the places where we thought it was safe two years ago.

So that security for travelers in Mexico has not increased with the quietness that is said to prevail down there.

The best evidence of that is that people wishing to go to those regions are afraid to go by rail, and no trains are running from Monterey to Tampico. At least so I am informed by Mexican gentlemen who arrived in New York from Mexico a few days ago. One of those gentlemen said that if I wished to send somebody to Tampico the route by way of Victoria would be unsafe; it would be necessary to go from Monterey to Saltillo and San Luis Potosi, and then back to Tampico, a detour of some 300 miles. That is in the State of which Gov. Osuna is at the present time governor. It is a border State, adjoining the Rio Grande and the Gulf of Mexico, and has for its largest city and southern terminus the port at Tampico, where all of the oil companies, or nearly all of the oil companies, have their offices, receive their supplies, and ship much of their oil; but, nevertheless, the road through that State, governed by the appointee of Gen. Carranza, is considered unsafe—in fact one of the most unsafe in Mexico.

I am merely calling attention to the facts in reference to this, just as they exist to-day.

I will read a little from a report of 1917, the annual report for 1917. I wish you would bear in mind, Mr. Chairman, that these reports were all issued fairly late in the year following that which they bear date of. [Reading from Annual Report of 1917:]

As with all other large business concerns of this country, the past year has been an epochal one with your companies. It was expected, and logically so, in the early part of 1917 that the gross business and earnings of your companies would be greatly increased during the current year. Preparation had been made to increase largely, in fact to more than double the amount of tonnage which would be used to move oil from your company's terminals at Tampico to the market. In no spirit of criticism nor complaint, it is necessary to inform you that in this respect you were doomed to meet with disappointment. The menace of war, which made itself known in the spring of 1917, brought with it, to your management, a realization of the necessity of a greatly increased supply of petroleum to meet the coming war needs. They realized also that it is the patriotic obligation of every American citizen and business concern to do the utmost to strengthen the hands of the Government whenever the need might arise. With a desire to do our part, your management wired to the President of the United States an offer of all of the facilities of your companies, to be used for such purposes as he might deem necessary.

In the month of June, when your company had nine steamships of 60,450 tons, one having already been commandeered by the British Government, six of the remainder were volunteered at the request of the Navy Department, and

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were placed in the service of the United States Government to carry petroleum products transatlantic. As new steamships which had already been ordered built for your company's service were completed, additional takings were made by the Government, with the result that 64,000 tons of shipping provided for moving oil for your company from Mexico, to its customers, were used to carry petroleum products of other companies from north United States Atlantic ports to the war zone, for the use of the various allied armies.

You were told on page 27 of the report of 1915 that "anticipating the delivery of these steamers, your management made contracts for the sale of crude and fuel oil to responsible customers * * * equal to the total deliveries possible with the tank steamers on hand and to be received from builders."

The volunteering of a large part of your fleet, the requisitoning of others of your tank steamers, and the delays which occurred in the construction of the remainder, limited your company to supplying only the customers to whom they were bound on time contracts at former prevailing prices, and of foregoing the sale of any oil at the better prices which the greatly increased demand stimulated. A calculation was carefully made of the loss of earnings to your company, by reason of the diversion of some steamships and the failure to get others. That amount, conservatively determined, is in excess of $6,000,000 for the last six months of last year.

We figure it out for the period of the war at a little over $17,000,000. [Reading further from report:]

You may have the consolation of knowing that in so far as your investment in this company is concerned, you have made the supreme investment sacrifice of risking the very existence of the ships, without which your business could not be carried on, and of sacrificing all of the earnings and profits which it was planned the ships should produce for your company during the remainder of last year, after they went into the Government trans-Atlantic service, and for such period in this year as they will continue in such service. Inasmuch as the average price of the contracts which we are legally and morally bound to fulfill with the use of the steamships that remain in your possession, is very much below the price which now obtains for like products in similar markets, your sacrifice is much more than what might be calculated by considering the percentage of your ships which has been employed exclusively in war service, moving none of your products.

In this great emergency, when the struggle, not on for national existence but for civilization itself, is being carried on against a most ruthless and powerful foe, no citizen of business concern does its full duty unless it does all that it is possible for it to do. The consciousness that your companies have not been backward in this respect should bring to you great satisfaction.

I think that brought many a peculiar smile on the faces of our stockholders, who looked to the profits of this company to meet the higher cost of living brought on by the war. [Reading further:]

The production and the sales of oil from your properties in the past year were nearly identical, the increase of oil in storage during the year being limited by the storage capacity, which was already nearly full at the end of 1916.

It is desired to call your attention to the following: That the total number of barrels disposed of during the year was 17,587,138; that the price received therefor was $17,457,292.49, an average price of 99¼ cents per barrel. In former years the average price received per barrel was much less than shown for this year, being 85 cents in 1916, 67 cents in 1915, 64 cents in 1914, and 58 cents in 1913.

The greater price received this year was not due, however, to any increased price for the oil at the point of production in Mexico. There were very many more productive wells in existence in Mexico during 1917 than during any prior period, and the proportion which the potential capacity of the wells bore to the transportation facilities was much greater than formerly, and consequently, although no regular market price exists for oil at the well in Mexico, it is a fact, nevertheless, that purchases could have been made at as low a price per barrel as during former years. The increased average price received by us was due largely to an increase in the proportion which was refined and which was delivered at distant points, the selling price of which was increased by the cost of refining and transportation. Six million eight hundred six

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thousand and forty-seven barrels of crude and fuel oil were sold f. o. b. Tampico at an average of 53½ cents per barrel, while 46,134,430 gallons of crude gasoline, produced at the Topping plant at Tampico, sold at approximately 11 cents per gallon, and 9,682,174 barrels of crude oil were sold and delivered at various foreign ports at 91 cents per barrel.

From the above it will be seen that the average selling price of oil at Tampico, whether fuel or crude, has not varied greatly over the last three years, the variation being due entirely to the fluctuating cost of transportation.

During the past year, your affairs having reached stage where the expenditure of funds for betterments justified it, your directors declared dividends on your common stock for the last two quarters, which amounted to $1,180,263, the rate being $1.50 per share, the equivalent of 6 per cent per annum. The above dividend, added to the preferred-stock dividend of $960,000, makes the sum of $2,140,263 disbursed for 1917.

And I want to say that that is the first dividend paid on our common stock for six years—that dividend for the first half of the year 1917. With your permission, I will submit this also to be filed.

The CHAIRMAN. You may file that.

Mr. DOHENY. Just a few words from this report of 1918, which will bring another phase of the whole Mexican situation before your committee, and it comes in the form of comments upon the exhibits which are connected with the report.

The CHAIRMAN. Suppose we take a short recess here, if you are going to another phase of the subject. The committee will be in recess until 2.15 o'clock.

(Thereupon, at 1 o'clock, the committee took a recess until 2.15 p. m.)

AFTERNOON SESSION.

The committee met at 2.15 o'clock p. m., pursuant to the taking of recess, Senator Fall presiding.

The CHAIRMAN. Mr. Doheny, whenever you are ready we will proceed.

STATEMENT OF EDWARD L. DOHENY—Continued.

Mr. DOHENY. Mr. Chairman, I have still one annual report that I have not filed, and I will say a few words in explanation of it and submit it, as I have the others, as a part of the evidence which we have to offer as to what the conditions are in Mexico.

It seems to me that there can be no better evidence of the dual nature of the oil business, or of any other business carried on by Americans in Mexico, than an explanation of the relative contribution of foreign and of Mexican labor and capital to the production of the materials produced and sold and the proportion of which goes to the benefit of Mexico and the proportion which goes to the benefit of foreigners, and the percentage which each proportion bears to the contribution from each source. This is the annual report of the Mexican Petroleum Co. (Ltd.) for the year 1918, just sent out to the stockholders of that company. It reads as follows:

The consolidated statement and report submitted herewith includes the seventeenth annual statement of the Mexican Petroleum Co. (California), the eleventh annual report of the Huasteca Petroleum Co., the fourth annual report of the Mexican Petroleum Corporation, the first annual report of the Mexican Petroleum Corporation of Louisiana (Inc.), and is the eleventh annual report of your company, which owns 99 per cent of the stock of the Mexican Petroleum Co. (California), and all of the stock of each of the other subsidiaries.

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During the year 1917, for reasons set forth in the last annual report, the volume of your company's business was far below normal expectations. The causes which prevented the natural expansion of the business during 1917 obtained to a large extent during 1918. The putting in commission last year of a part of the new fleet of steamers which had been provided, resulted, however, in a noticeable increase in the volume of business over that of the previous year.

Attached hereto will be found a consolidated balance sheet and a consolidated profit and loss account for the year 1918. A study of the exhibits and comparison with 1917 will show that:

Oil inventories are valued at cost instead of at average contract selling values as heretofore.

Mexican taxes paid in 1918 are more than double the amount paid in 1917.

We make no complaint about this increase in taxation, but we want to call your attention to the fact that we shipped 16,700,000 barrels in 1917 and 18,500,000 barrels in 1918, or an increase of 11 per cent. But the taxes were more than doubled.

The amount set aside for income and war taxes increased nearly 800 per cent over 1917.

Taxes paid, plus the amount set aside for completion of tax payments, amount to 60 per cent of the net profits and over 26 per cent of the gross income.

Profits, before deducting war taxes, are more than double the profits for 1917.

Dividends paid during 1918 were $4,128,008, as compared with $2,140,263 paid in 1917.

That is not on account of any increase in the value of the oil at the well in Mexico, because the value of the oil at the well in Mexico had not increased during that period, but it is because a larger percentage of the oil was refined, and all of it was carried a much greater average distance from Mexico, adding the cost of transportation and refining to cost of production, which made a much larger investment for a given quantity and consequently a larger profit for a given quantity of oil.

As I have said, the dividends paid during 1918 were $4,128,008, as compared with $2,140,263 in 1917. That was because we commenced paying dividends for the first time in six years on the stock of the Mexican Petroleum Co. (Ltd.) during the last half of 1917, and we paid them during the whole of 1918.

(Reading further from report:)

Taxes paid to both Governments were nearly $3,000,000 greater than the amount paid in dividends.

That is a matter that I want to call attention to, and I wish it could be put in double-leaded type in this report, because it is something that concerns every industry that is carried on abroad by Americans or abroad by any foreigners in any country; with their costs at home, with their investments in foreign countries, at the risk of confiscation or unjust treatment by foreign governments, they still continue to pay, if they make a profit, their taxes to support their own Government. Therefore, as a matter of right, they should have protection, even if it was not guaranteed to them by the constitution and by the laws of the country from the time of the adoption of the constitution up to the present time.

(Reading further from report:)

Taxes paid to both Governments were nearly $3,000,000 greater than the amount paid in dividends.

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We paid nearly—or, in fact a little over—$7,000,000 in taxes and something over $4,000,000 in dividends.

(Reading further from report:)

Oil sales for 1918 were 18,500,000 barrels, as compared with 16,736,000 barrels sold in 1917, an increase of 11 per cent. The selling price in 1918 was $26,320,545, as compared with $17,007,209 for the preceding year. This difference is accounted for by the fact that a large proportion of oil sold in 1917 was disposed of in crude form, while nearly all of the oil sold in 1918 was either refined at the company's plant at Destrehan or partially refined at the company's plant at Tampico, Mexico. Still another cause for the increased return from oil sales is the fact that a much larger proportion of the oil sold in 1918 was carried to distant markets, thus using a larger amount of tonnage per barrel of oil moved and adding to the selling price the added cost for transportation.

The selling price of the crude and fuel oil in Mexico has not varied as greatly as the selling price at North Atlantic United States ports. The price at the latter ports was and is affected by the high charter rates for tanker tonnage.

Well, as I am going to file this report, I do not know whether it is necessary to read much more of it, but there is an article here on the market which, while it does not touch directly, does indirectly have some effect on the consideration of this entire subject, and I think I will presume on your good nature to read this article for you.

[Reading further from report:]

The necessities of the great war required the use of all tanker tonnage for the delivery and storage of as large an amount of petroleum products as possible to points where it would be available for various war uses. The signing of the armistice immediately discontinued a very large percentage of the consumption of fuel oil for Navy uses, and of motor spirits and gasoline used by launches, lorries, tanks, autos, and aeroplanes. So successful was the work of the petroleum industry in keeping an adequate supply of all the needed petroleum products at the war bases, that the cessation of fighting found all of the Allied storage on the Continent filled with oil, many loaded tank steamers on route to Europe, and the United States Atlantic storage stations also fairly well filled.

And inasmuch as the oil industry is involved in this Mexican dispute, and may be the subject of contumely not only for its work in Mexico as well as in the United States, I would like to say, without claiming to hold any brief for any other oil company than our own—but I want to include in this statement all the oil companies of the United States—that during the war every American, as well as every English, French, and Italian industry, contributed their utmost to supply the needs of the war, whatever they might be, and wherever they might be required; and it has been stated by those connected with the war supplies in the United States—it was first volunteered by the French, and then by the English war-supply agents—that the only industry connected with the war supplies which was 100 per cent efficient was the petroleum industry. It supplied every need of the Navy, the transport service, the armies, including the airplane service, without any failure and without there being at any time any shortage, although there were two or three times in the history of the war, especially in the midsummer of 1918, when there was a threatened shortage of airplane gasoline, but it never occurred, and the service was so good, carried on entirely under the management of the oil companies themselves, that the close of the war, the signing of the armistice, found every storage tank in western Europe filled with oil, all the tank steamers en route to Europe filled

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with oil; and many of them had to remain months before they could be unloaded, because the consumption of oil from the reservoirs did not make room for them as at early periods.

[Reading further from report:]

This condition immediately demoralized the movement of oil. A period of transition ensued. New uses for oil are being developed so rapidly that there is likelihood of a shortage both of the supply and of the means of transporting it from the wells to the consumer. The great merchant marine of the United States, which it is said will amount to more than 20,000,000 tons when completed; the substitution of oil for coal because of its greater economy at many industrial plants in the United States as well as Europe; its demonstrated superiority as a naval fuel, which results in its being substituted for coal in all the navies of the world as rapidly as convenience and economy will permit, all tend to develop a demand for fuel oils and motor spirits that will fully tax the future supply. Your management with a view of early benefiting your companies by the new adjustment has been instrumental in organizing a supply company with associates largely interested in the industries of Great Britain, whose efforts will be devoted to marketing the petroleum products of your properties.

The remainder is of little interest not being connected with the subject that I am testifying on, so that with your permission I will submit the report as it is.

While talking on the subject of oil fuel, I was asked by the Fuel Administration oil branch to submit to them a letter with my opinion on the value to the United States, especially during the war time, of the American-owned oil fields in Mexico. In answer to that request, I hurriedly wrote a letter on the 15th of March, 1918. I was asked by many people, who read it, to have it published, which I never did. But, much to my satisfaction, I have seen it quoted in a great many articles since given to the public through the medium of newspapers and other periodicals. This is not a very long letter, but it sheds a new light upon the interest which the United States ought to take in the oil fields in Mexico, as well as elsewhere in the world, and if it will not be considered too remote in connection with this matter, I will attempt to read it to you.

The CHAIRMAN. Proceed, sir.

Mr. DOHENY. This is dated March 15, 1918.

It is addressed to Hon. Mark L. Requa, Fuel Oil Administrator, Washington, D. C.

The future welfare and prosperity of the United States, both during and after the present great World War, may be said to be largely dependent upon or at least affected by the uninterrupted operation and control of the oil fields in Mexico now owned by American companies.

I wish to say for the purpose of showing the importance of this letter at the time it was written, that it was at the time of the great German concentration and drive in the spring of 1918, when there was certainly some doubt as to what the outcome of the war might be, and this was asked for because of its importance at that time.

(Reading further from letter:)

About 20 years ago Americans discovered, and have developed by the expenditure of scores of millions of dollars and made available, the great oil production which is now finding its way into the markets which supply the United States and its Allies, both for industrial and war uses.

Statistics show that approximately 300,000,000 barrels of oil per annum are being produced in continental United States, from 200,000 oil wells.

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Prior to the great development and use of motor engines for many purposes, notably, automobiles, trucks and tractors, aeroplanes, launches, etc., there was being produced in the United States more oil than was being used to supply both the home and foreign markets, and consequently the amount of oil in storage increased to over 150,000,000 barrels.

This surplus resulted from the discovery of phenomenal oil fields in the mid-continent region and on the Pacific coast. The gradual falling off in the yield of the great bonanza oil districts, and the rapid increase in the use of various grades of petroleum both for the operation of the motor engine and as steam fuel, have brought about a change in the relation between supply and demand, so that during the year of 1917 the use of petroleum to supply the United States markets has been many millions of barrels in excess of the United States production.

The excess of use over production on the Pacific coast in 1917 amounted to more than 12,000,000 barrels, notwithstanding the fact that western South America, formerly supplied with oil from California, had drawn on Mexico for more than four and one-quarter million barrels of crude and fuel oil.

In the oil field east of the Rocky Mountains an equal amount was withdrawn from storage to supply the demands of the market. This reduction of surplus was unavoidable, notwithstanding that some very rich new oil territory was discovered and developed in the State of Kansas and fortunately made a substantial contribution to the production of 1917; and likewise notwithstanding the fact that more than 30,000,000 of barrels of Mexican oil, in addition to that sent to the west coast of South America, were imported to supply the United States and its allies.

The present and coming years will doubtless witness the discovery and development of additional oil fields within the borders of the United States, whose production may largely make up the present deficit of petroleum.

The ensuing year will certainly be one of extraordinary increase in the use of petroleum in its various forms. The new United States aero fleets, whose service is so greatly relied upon, the great numbers of motors and trucks needed to facilitate the movement of American troops, supplies, and munitions in the war area, the fleet of destroyers and submarine chasers that is being created for use in the war zone, the plan for extensive tonnage of petroleum-driven cargo vessels and transports, all lead to the conviction that increasing quantities of petroleum will be constantly required; and that all its sources may need to be utilized to their utmost to provide a sufficient supply.

To rely upon the uncertainty of the discovery of new fields in the United States would be to invite disaster to our arms in the great impending struggle.

Where is relief from this danger to be found? The reply is, by continuing the present and increasing the future movement of petroleum from the oil fields of Mexico to the United States and its allies.

I am going to ask your indulgence while I relate some incidents that suggest the Mexican oil fields as a logical and natural source of supply for petroleum for the United States.

A large part of the lands which are recognized to-day as the richest part of the oil fields in Mexico were discovered and purchased by Americans in the year 1900. Their active development was begun a year before Beaumont, Tex., was known to the history of petroleum. The difficulties of the climate, the primitive character of the region and people where developments were first begun, its inaccessibility for supplies, the unbelief in its value as petroleum lands, were all fully appraised by its developers. They were encouraged by the Government of Mexico, which understood all of the difficulties heretofore mentioned, to undertake and persevere in the task of proving the truth of the ideas which they formed regarding the quantity and character of the oil deposits of that unfrequented and little-known region, the Huasteca Veracruzana.

Millions of dollars of American money, furnished principally by the original prospectors, were poured into the jungle in payment for pipe lines, railroads, drilling machines, houses, water supply, ice plant, electric plant, machine shops, American labor, and Mexican labor, everything necessary to initiate a petroleum development in a new country. For nearly 10 years the efforts of these Americans, while crowned with success in the matter of the development of oil, from the very beginning of their efforts—their first substantial well being brought in within two weeks after drilling commenced in 1901—were productive of comparatively meager earnings and no profits. The bringing in, in 1910, of the most productive oil well the world has known, precipitated a situation which

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threatened financial bankruptcy to the original discoverers of this prolific field. The unrestrainable flow of this well, amounting to three-quarters of a million barrels per month, necessitated the rapid building of reservoirs of steel and cement so that the flow of petroleum would not go into the streams and devastate by flood and fire the region of its location.

Over 10,000,000 barrels of storage was built before plans could be developed for the movement of the petroleum produced by this well to places of consumption.

The original discoverers of this wonderful oil region were Americans. They had been successful oil prospectors in the United States before turning their attention to the neighboring Republic. Their proposed efforts in Mexico were welcomed by the Government of that Republic, which desired to stimulate new industries therein; by the railroad company near whose line the first development was undertaken and which hoped to and did benefit by the development of a superior locomotive fuel supply at 50 per cent of the cost of that which theretofore had been imported for its use; by the merchants of Tampico and vicinity whose business promised to be enhanced by activities thus initiated; by landowners of the region about Tampico who anticipated a wider market for their products and better prices for lands which might be supposed to contain petroleum. Even the laborers, known as peons, who could not then realize the advantage which might accrue to them, have since shown their appreciation and gratitude, by kindly feelings and helpful actions, for the treatment which these Americans accorded to them and which became possible only through the successful carrying on of the plans of these prospectors.

Millions of acres of supposed oil lands in the Tampico region have since been acquired by American, English, Dutch, French, and Mexican companies. The city of Tampico has grown from a comparatively unknown, squalid, pestilential, semi-tropic seaport of about 12,000 inhabitants, to a modern, well-drained, well-paved, metropolitan center of approximately 50,000 inhabitants. Lands that were purchaseable at from 1 peso to 10 pesos per hectare (2.47 acres) have increased in price to a maximum of thousands of dollars per hectare and to an average increased market value of several thousand per cent. The daily wages of laborers have increased from 36 centavos (about 14 cents) in 1900 to 3 pesos per day in 1917, or over 800 per cent.

That three pesos per day is taken as the average of all the wages paid, high and low, by all the American companies to the Mexican workingmen.

(Reading further from letter:)

Many millions of dollars' worth of oil-well machinery, supplies, engines, boilers, and pipe have been brought into this region from the United States to be used in the development of these oil-containing lands. Other millions have been paid out in wages to American and Mexican employees, mostly Mexican. Still other millions have been paid in taxes on petroleum and increased valuations of property to the various governments of Mexico. Wells have been drilled that, conservatively estimated, may be said to have a potential capacity of more than a million barrels per day (which is greater than that of the United States). All of this change has been brought about through the enterprise and energy of Americans who were stimulated by the American pioneer spirit of development and encouraged by the kindly feeling evinced and promises of help and protection made by the Mexican Government under President Diaz and renewed by the late lamented President Madero. During 17 years American and other foreign money has poured into this region in Mexico for the purchase of lands, establishment of camps, and carrying on of oil-well development and production, with no objection from any governmetal authority or suggestion of interference until 1917.

In my opinion, 80 per cent of the known valuable oil land holdings of the Tampico region belong to Americans or American companies.

I think I am understating the percentage that is owned by Americans and American companies; that they really own more than 85 per cent of the demonstrated oil territory.

(Reading further:)

The existing wells of these American companies can now, in my opinion, furnish an amount of oil annually much in excess of the difference between

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the United States production and the amount required to supply America's needs. The present pipe-line and barge facilities are sufficient to deliver at the port of Tampico more than 100,000 barrels per day. There is in the Mexican storage of these companies more than 10,000,000 barrels of oil. The tank-steamer capacity of their fleets is fully sufficient to carry the above-mentioned daily quantity to the average United States Atlantic port. The American owners, as a whole, belong to the class of patriotic citizens who would be greatly gratified if their properties can and will be made to perform a national service in this time of need of their country.

It seems to me, therefore, that these American holdings in the sister Republic are a logical and presently available source of supply for the indispensable petroleum needs of the war.

This letter was written at the request of the Fuel Administration by a man who was known to have had experience in the oil business and judgment as to what our sources of supply of oil were for the immediate needs of the United States and its allies in the war. It was not written as an argument against the spoliation of Mexico.

(Reading further:)

The very latest movements of the German Government, as recorded in the morning papers—

And this I want to call especial attention to, although it does not relate directly to the Mexican question. It does, however, relate indirectly to the situation, because it details the enterprising movements of our British neighbors, commenced during the war.

(Reading further:)

The very latest movements of the German Government, as recorded in this morning's papers, point not only to the intention of that Government to extend its political and commercial influence over vast regions heretofore subject to the influence of and commercially tributary to other nations, but indicate that in so doing the fact has not been overlooked that one of the sources from which naval and commercial strength may be derived is by the acquisition of the great petroleum fields of the Black Sea region and of the regions to the south.

Great Britain's military campaign in Mesopotamia has been said to be largely due to its desire to protect its holdings in some extensive oil regions and to acquire rights in other still undeveloped lands having similar values.

There was published in the papers of the United States many months ago a statement attributed to Walter Runciman, president of the British Board of Trade, to the effect "that it is the policy of Great Britain to acquire as large a control as possible of the world supply of petroleum." This statement is said to have been made openly before the House of Commons at the time the British Government acquired an interest in the Anglo-Persian oil fields.

Three years ago this month I spent several weeks in London in consultation with men who are largely interested in England's maritime commerce. The subject of our negotiations was a supply of petroleum for several steamship lines. During the course of the negotiations it developed that one of the gentlemen had made extensive and expensive experiments to determine the relative value of petroleum and coal as a marine fuel. He told us the result of his experiments, which was to the effect that, used for steam-producing purposes, one ton of oil was the equivalent in power value of two tons of coal. Also, that used with an internal combustion engine, one ton of oil developed a power equivalent to that of six tons of coal, or of three tons of oil consumed to produce steam power. These experiments, made three years ago, were made public a few days ago through one of the scientific journals of America.

I make use of the above information for the purpose of illustrating and emphasizing what I am about to declare with regard to the importance of the Mexican oil fields to the United States.

The experiments above referred to, made by Lord Pirrie—

I would like to interject right here a remark or a few words which, again, I want to say, do not bear directly upon it, and they are to this effect: That I have just lately returned from Great Britain,

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having spent nearly seven months there and on the continent, and the things which I told the Fuel Administrator a year ago last spring were being worked out have since been worked out. The British Government owns 65 per cent of the stock of the Anglo-Persian Oil Co., which has a concession from the Persian Government on 55,000 square miles of oil territory in Persia, and quite recently, it appears from the newspapers, the British Government has assumed closer relations to the Persian Government, of some port, and it is expected that a mandatory on Mesopotamia will be given to Great Britain, and that the great expenditure of life and money for the purpose of acquiring and holding that territory and preventing the Germans from occupying it, may be partly made up to them by the enormous oil values that are known to exist in Mesopotamia.

It is also known that the British troops occupied the Baku region, which is known to be one of the richest oil fields in the world.

So that by considering the present in connection with the quite recent past, the past when this letter was written, it is easy to be seen that my warning to the United States Government in this letter, which I understand was handed to President Wilson, was not unworthy of some study.

As Cardinal Mercier so kindly acknowledged yesterday—a rather rare acknowledgment from anybody living in Europe—in 1918 the American troops at the supreme moment turned the balance of the war in favor of the Allies. The British Government in the great drive in March, 1918, when Sir Douglas Haig's "back was to the wall," might be compared to a lion with his tongue stretched out about 18 inches. the German Kaiser with his foot on the lion's throat, but that lion shiftily scratching with the toe of his right hind leg, a location claim to the section around Mesopotamia, while his front half lay prostrate across northern France and Belgium.

The British Government then saw the necessity of holding for its citizens and for the "glory of the Empire," the great oil resources, even though it had to obtain and hold them by what might be considered questionable means, and I say to-day that the United States ought to hold for its industries and for its people—the people who use the flivver, as well as the people who ride in the limousine—the oil lands that are owned and have been acquired by Americans anywhere in the world, and they should not be allowed to be confiscated by any Government, whether it be British, Mexican, or any other. They ought to be maintained.

I make use of the above information for the purpose of illustrating and emphasizing what I am about to declare with regard to the importance of the Mexican oil fields to the United States.

The experiments above referred to, made by Lord Pirrie——

I may say that Lord Pirrie is my associate in the oil business, and he is one of the greatest business men in Great Britain, and is successful in every respect, and is a thoroughly liberal-minded man and understands fully what oil is to this country as well as to other countries.

The experiments above referred to, made by Lord Pirrie, demonstrate that the people or nation using the internal-combustion engine for power purposes on freight ships can successfully compete with the nation which is confined to the use of coal as a marine fuel and even with the nation whose freighters are equipped with steam engines whose power is derived from the use of oil as fuel.

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As between the use of oil and coal the coal user can not successfully compete with the oil user, and hence the fleets, of whatever nation, that depend upon coal as a fuel will, in competition with oil-using fleets, be as surely driven from the sea as the sailing vessel was in competition with the steam freighter. The use of coal for maritime purposes requires coaling stations at many places over the globe, often at places where the nation whose flag the steamer flies has no territory or jurisdiction. The necessity for coaling stations has been one of the many causes of friction between the great Governments of the world. The fewer of these stations that are required the less danger from such friction. The radius of an oil-using steamer is more than twice as great as that of a coal-using vessel. Hence, only half as many fuel-oil stations would be required as coaling stations. The possession of an adequate oil supply suggests the probability of a very large ue of the marine internal-combustion engine. With such a freighter fuel stations are almost unnecessary. At any rate, their use would be reduced to a minimum.

As to the advantages in the use of oil instead of coal on naval vessels nothing need be said by me, as the subject has been so thoroughly studied and is so well understood by the Navy Department. It is an acknowledged fact that, other conditions being equal, the oil-using navy can vanquish the soal-using navy.

Inasmuch as both Germany and Great Britain are seeking and acquiring sources of supply for large quantities of petroleum, it seems to me that there can be no question but that the United States must avail itself of the enterprise and ability and pioneer spirit of its citizens to acquire and to have and to hold a reasonable portion of the world's petroleum supplies. If it does not it will find that the supplies of petroleum not within the boundaries of United States territory will be rapidly acquired by citizens and Governments of other nations and that our dream of maritime greatness and commercial equality with other nations of the earth will prove indeed a dream and that we have slept while other nations have taken advantage of the opportunities which a bountiful nature has offered to all.

Is such a needed supply of petroleum available to the United States now from within her boundaries? The answer is no.

The rate of increase in the use of petroleum and its products for interior purposes has been so great that it must be expected that within a few years the United States' production will barely suffice for its own consumption. This statement is not intended to, nor should it, be a cause for alarm as to the internal supply of petroleum and its products.

That time has already arrived. At the time this was written we were credited with having less than 4,000,000 motor engines in use on all kinds of vehicles. To-day we have over 6,000,000, and Mr. Durand is credited with the statement that in less than 10 years we will have 15,000,000 motor vehicles. Now it requires some 350,000,000 barrels of oil to supply the motor machines in use for every purpose. In 10 years it will require two and a half times that amount unless we use the heavier petroleum products and the heavier gasoline, but even admitting that, there is no question but that we will use at any rate within a year or two more oil than we can produce in the United States. We are up against the necessity for importing oil to-day in order to supply the demand of every family in the United States that can afford a flivver.

To the uninitiated, the average rate of decrease in the production of oil wells might well be a source of great anxiety. The oil producer, however, is fully aware that the initial production of the first few wells in a new field can not be sustained, even by the continuous drilling of a large number of new wells, and is cognizant of the long-lived character of the decreasing production of existing wells, and also the unceasing efforts which are being made to develop the use of a larger percentage of the crude petroleum.

The oldest fields in the United States, those of the Appalachian region, nearly 100,000 in number, yield an average of less than two-thirds of a barrel per day.

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system which will serve the purposes of this country in its extension of trade and influence over the seven seas can not be realized.

Mexico is not the only source for petroleum in large quantities, but it has the greatest developed and demonstrated supply, and all other probable sources of great supply are politically, nationally, and geographically less favorably situated than are the American oil holdings in Mexico.

If you consider that letter worth going into the record as part of the history of the oil developments of Mexico, brought out by the request of the Government, I will submit it.

The CHAIRMAN. It is already in the record.

Mr. DOHENY. Now, there are some other phases of the Mexican situation that are not covered by the documentary testimony or the remarks that I have made in reading it that I am sure ought to be known to this committee, if you want to know what has most agitated the minds of people who have been trying to justify the carrying out of article 27 of the recent constitution. It has been said that the right to tax is the right to confiscate. I do not believe, though, that that character of confiscation is one which is reprehensible without examination, but where the confiscation strikes at the title of the property which is being attacked, it is one which, it seems to me, is indefensible, and for the purpose of showing that the oil men are to-day the subject of more or less confiscatory action, which, in my opinion, is entitled to the intervention of our Government in a diplomatic way, I want to call attention to the fact that crude oil from Panuco district can be purchased at Tampico for 25 cents per barrel. I think it has been offered for something less. It costs about 8 to 10 cents per barrel to carry it down to the Tampico, so that its value to the owner is the selling price less that cost, or maybe 15 to 18 cents per barrel.

The Mexican tax on that oil is 5 cents per barrel, so that I do not think it requires much of a mathematician to figure out that the tax at the well is 33⅓ per cent, although the Mexican statute says that the tax must be 10 per cent.

Fuel oil, which is the product of the refineries in Mexico, and which is the residuum of the latter oil, has recently been offered to the United States Government to the extent of 8,000,000 barrels at 35 cents per barrel in Tampico. The cost of transporting that oil to the place where it was to be delivered to the United States Government in Mexico is 10 cents per barrel, so that the value of that oil to its owners must be admitted to be about 35 cents per barrel. The tax that is paid on that oil, on millions of barrels of it, no matter what it sells for or where it goes to, every month, to the Mexican Government is 10 cents per barrel, or nearly 40 per cent of its value at the well. The law also provides for a 10 per cent tax on this oil.

Crude oil is being sold by the millions of barrels per month to various American concerns and transported from Mexico at the price of 45 cents per barrel f. o. b. steamers at the pipe-line terminus. Admitting a cost of 10 cents per barrel as a fair charge for piping this oil, its value at the well would be about 35 cents per barrel. The export tax on this oil is 11½ cents per barrel. I will not undertake to figure out what percentage that is, but it is much more than 10 per cent.

Senator BRANDEGEE. Are all these taxes that you have been referring to export taxes?

Mr. DOHENY. Yes, sir; all export.

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The CHAIRMAN. In addition to that, are there other taxes paid—stamp tax on the books?

Mr. DOHENY. Yes, sir; there are stamp taxes on the books, and land taxes on the land, and we pay port charges for going in and out of the harbor with our vessels at so much per ton, but the direct tax on the oil is not only greater than the statutes of Mexico provide for, and to that extent are illegal, but they are the only national or Federal tax placed on any oil produced in any country. There is no other nation that places a Federal tax upon the production. The United States Government never raised one cent of revenue from taxes for oil produced in Pennsylvania or any other State. It is an innovation in Mexico, which nobody complains of because of the needs of the country, but it is a new thing and not the custom of any other civilized country. In order to increase the revenues, they openly and obviously violate the law; the petroleum commissioner has chosen to value this oil, not at the well in Mexico, where it has its Mexican value, but at the port in New York, where it has been increased in value by the cost of transportation, which is often from two to three times the value of the oil at the well.

There is another form of confiscation which is not quite as direct as the confiscation provided for in article 27 of the constitution, but it is nevertheless a confiscation and more reprehensible than the confiscation which results from taxation, and that is the confiscation of the rights of the lessee or lessor to take from lands, which he is entitled to take oil from, that which he depends upon for his profits from the land—by preventing him from drilling wells thereon.

The constitution of 1917, with its confiscatory clause 27, was adopted early in that year. Early in the following year President Carranza issued a decree, the legality of which we will not discuss, but it has been attacked not only by the amparos of the oil men, but by the Mexican legal lights in the City of Mexico.

I will submit for your information a copy of the decree of February 19, 1918.

The CHAIRMAN. It may be received in the record.

(The decree aboved referred to is here printed in the record in full as follows:)

PROVISIONS REGULATING ARTICLE 14 OF THE DECREE OF FEBRUARY 19, 1918, WITH AMENDMENTS DATED AUGUST 8, 1918.

[Translated from Diaro Official, Aug. 12, 1918.]

ARTICLE 1. From and after August 16 next entries on petroleum properties may be filed on free lands.

ART. 2. A "petroleum claim" shall be understood to be a solid of indefinite depth, limited laterally by vertical planes passing through the boundaries of a continuous area of not less than 4 hectares and devoted to petroleum development.

ART. 3. By "petroleum development" shall be understood the extraction, reduction to possession or enjoyment of the following substances:

1. Petroleum to be found in ore bodies, beds, and natural deposits.
2. Gaseous hydrocarbons to be found in the subsoil or those seeping through the ground to the surface.
3. Natural deposits of ozokerite and asphalt.
4. All mixtures of hydrocarbons of the several kinds having their origin in natural phenomena.

ART. 4. No land shall be deemed free which shall have received a patent (titulo) for the development of petroleum, or on which there shall be a patent pending.

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ART. 5. No land whose owner shall have filed with the Department of Industry, Commerce, and Labor the statement required in pursuance of articles 14 and 17, and transitory article 1 of the decree of July 31, 1918, shall be deemed free; but land shall be deemed free if, though the above-mentioned statement shall have been filed, no claim thereon shall have been made by the person filing the statement or by transferee of this preferential right, within the three months next following the 15th of the present month.

ART. 6. No land shall be deemed free which shall have been leased for petroleum development and the statement relating thereto filed with the department of industry, commerce, and labor in pursuance of articles 14 and 17, and transitory article 1 of the decree of July 31 of the present year; but land shall be deemed free if, although the statement shall have been submitted, no entry thereon shall have been filed by the person making the statement or the transferee of this preferential right within the two months next following the 15th of the present month.

ART. 7. Nor shall land be deemed free which shall have been leased for petroleum development and the statement relating thereto filed with the department of industry, commerce, and labor in pursuance of articles 15 and 17 of the decree of July 31, 1918; but land shall be deemed free if, although the statement shall have been submitted, no entry thereon shall have been filed by the person obtaining the preference referred to in article 15 of the decree hereinabove cited, or by the transferee of this preferential right, within the two months next following the declaration of preference mentioned in the article of the decree above cited.

Transfers of the preferential right mentioned in this article and in the two foregoing articles shall be recorded by public deed.

ART. 8. Nor shall land be deemed free, for the purposes of this decree and without prejudice to article 27 of the constitution, which shall be covered by any franchise (contracto de concesion) granted by the federal government to any individual or corporation for petroleum development.

ART. 9. Lands of common use, waste and national lands, town sites (fundos legales), and commons (ejidos) not subdivided shall not be open to entry.

ART. 10. Each entry shall refer to a single petroleum claim.

ART. 11. Each applicant for a petroleum property shall file his entry in duplicate, with the proper agent of the department of industry, commerce, and labor; such entry shall contain the name, age, profession, domicile, and nationality of the applicant, as well as the location, area, boundaries, and other pertinent data necessary to identify the property in question.

ART. 12. If the applicant be an alien individual, he shall attach to his application a certificate of the department for foreign affairs, establishing that he has complied with the requisites prescribed by article 27 of the federal constitution.

ART. 13. If the applicant be an alien corporation which shall have previously filed the necessary statement regarding the lands which it may own or the rights of the development of which it may be the assignee, the entry shall be admitted and the regular procedure followed, but patent thereto shall be issued only to an individual or a Mexican corporation organized under the laws of Mexico, to whom or to which the applicant corporation shall transfer its rights.

ART. 14. The applicant shall file with his entry a certificate from the stamp office, setting forth that he has deposited the value of the stamps to be affixed to his patent, according to the area of the property on which entry has been filed.

ART. 15. The agent of the petroleum bureau (Ramo de Petroleo) shall receive the entry, shall enter it in his register, and shall record thereon, as well on the original as on the copies, the date and hour of presentation. The applicant may demand that these annotations be made in his presence. If, in the judgment of the agent, the claim be lacking in clearness, he shall request such explanations as may be necessary, and shall record them in the original, in the copies, and in the register book. The absence of explanations shall not be ground for a refusal to register the entry. The duplicate shall be returned with the corresponding annotations to the applicant.

ART. 16. Within the three days following the presentation of an entry, and in view of the explanation submitted, the agent shall decide whether it is or is not to be admitted. In the former event he shall dispatch it in accordance with the regular procedure; in the latter event, he shall set down in writing the ground for his decision, which shall be subject to review by the

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department of industry, commerce and labor, on request submitted by the applicant to the same agent, so soon as the latter shall notify him of his decision not to admit the entry, or within the ensuing three days.

ART. 17. Whenever two or more entries presented simultaneously and referring to the same tract of land shall be declared admitted, the choice between them shall be determined by lot, unless the preference as to the particular entry to be admitted shall be agreed upon between the interested parties.

ART. 18. Whenever several entries on different claims are filed, but having a portion common to all, a drawing covering all entries shall be held. Should the entry favored by lot embrace all entries filed, all remaining entries which shall have been included in the drawing shall, by virtue of this fact alone, be definitely rejected; but should the entry favored by lot comprise only a portion of the land on which entry has been filed, the remainder shall be included in a new drawing to be held as among all applicants, excepting only the applicant favored in the first drawing; and should there remain any portion of the land in dispute after the second drawing, one or more successive drawings as may be necessary shall be held, at which the procedure detailed above shall be observed. Drawings shall be held at intervals of three working days, so that applicants may be present at each of them with their claims duly prepared. Applicants failing to attend any drawing to which they have been summoned shall thereby forfeit the preferential rights acquired under the first drawing.

ART. 19. So soon as an agent admits a claim he shall post it on his bulletin board (tabla de avisos) for a month and shall furthermore cause it to be published three times within this period in the Official Gazette (Diaro Oficial) and in two other journals chosen from among those having the largest circulation in the particular locality. The interested party shall take steps on his own account to see that the insertions are made.

ART. 20. The following shall constitute grounds for adverse claims (oposicion), which shall suspend action upon the claim:

1. The total or partial encroachment upon a petroleum claim on which patent has been granted and which has not been declared forfeited.

2. The claim of the whole or a part of a property on which entry has already been filed, legally submitted, and a ruling on which is still pending.

3. The nonexpiration of the term within which under these regulations preference is granted to any individual or corporation with regard to the whole of a claim or a part thereof.

ART. 21. An adverse claim based on any of the grounds set forth in the preceding article shall be submitted to the agent of the petroleum bureau within 60 days, reckoned from the date on which the entry shall have been posted on the bulletin board of the agency.

ART. 22. The adverse claimant shall submit with his adverse claim a certificate of the chief stamp office setting forth that he has deposited the amount of the rental for one year corresponding to the property in question in accordance with articles 47 and 47 of this law; no adverse claim shall be admitted without the presentation of such certificate.

ART. 23. On the presentation of the adverse claim the interested parties shall be summoned to a meeting at which every effort shall be made to reach an agreement. In this action the procedure set forth in the regulations of the mining law at present in force shall be observed. If it be impossible to reach an agreement, the interested parties shall forthwith be notified that the merits of the adverse claim may be settled either by administrative or judicial procedure.

ART. 24. If the interested parties fail to choose immediately the administrative procedure, action shall be suspended and the records transmitted within 48 hours to the judicial authorities for the institution of judicial proceedings. The adverse claimant may only allege the grounds on which he based his original adverse claim and which expressly appear in the record transmitted by the administrative authorities to the judicial authorities.

ART. 25. If the interested parties choose the administrative procedure for the settlement of their differences, the record of the case shall continue the usual course, in order that the department of industry, commerce and labor, after hearing both parties, may render its final decision in the case.

ART. 26. When once the interested parties have chosen the administrative procedure, they shall not be permitted to resort to judicial proceedings; but if they have chosen the latter, they may, pending the rendering of the final judicial decree, submit the case to the ruling of the department of industry, commerce and labor.

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ART. 27. Any ground for adverse claim differing from those laid down in article 20 hereof shall be submitted to the agent, who shall not, however, suspend the regular procedure of the record. The department of industry, commerce and labor, so soon as it receives the case for review, shall decide whether the ground alleged shall or shall not be taken into account. In the former event the case shall be heard and a ruling handed down in accordance with the provisions of articles 23 to 26 hereof. Should the department refuse to admit the adverse claim, the case shall proceed as if no such adverse claim had been submitted, but the rights of the adverse claimant shall subsist.

ART. 28. The department of industry, commerce and labor may take into account during the review of the case any adverse claim submitted, provided the adverse claimant prove that he failed to submit his adverse claim to the petroleum bureau agent through no negligence of his own.

ART. 29. Applicants failing to make the insertions required under article 19 hereof within the terms set by the said article, those failing to give the explanation requested in order that the entry may be admitted within the term set, and those failing to attend the meetings for the purpose of effecting an agreement shall be declared in default (morosos). Every defaulting applicant shall forfeit the deposit referred to in article 14 hereof.

ART. 30. The adverse claimant who shall fail to attend any of the meetings for the purpose of effecting an agreement shall be deemed to have desisted from his adverse claim, except in the case of vis major.

ART. 31. Every adverse claimant who shall desist from his claim or whose adverse claim shall prove to be not well grounded shall forfeit the deposit prescribed by article 22 hereof, which deposit shall be applied to the payment of the rental for one year on the property, reckoned from the date of the claim.

ART. 32. Should no final ruling on the claim be handed down within a year, the applicant and the adverse claimant shall each deposit the amount of rental for one year in the chief stamp office; the same procedure shall be observed each year until a final ruling is given.

The deposit or deposits of the party in whose favor the final ruling is rendered shall be applied to the payment of the rental on the property, and the deposit or deposits of the party against whom the decision is rendered shall be applied to the federal budget in the form of diverse profits (aprovechamientos), but the right of the former to bring suit against the latter for damages in cases where such action is permissible shall subsist.

ART. 33. The department of industry, commerce, and labor may excuse the absences of the delinquent applicant whenever he shall prove, during the regular procedure of the record or its review, that such absences were due to vis major or fortuitous circumstances.

ART. 34. If no adverse claim causing the suspension of the regular administrative procedure in the case shall be presented within the period of 60 days allowed, the petroleum bureau agent shall transmit to the department of industry, commerce, and labor a copy of the record of the case as of that date.

ART. 35. Patents covering petroleum claims shall be issued through the department of industry, commerce, and labor after the petroleum bureau shall have reviewed the record submitted by the agent. These patents grant legal possession of the respective claims without the necessity of any further formality.

ART. 36. Patents shall be issued in favor of the applicant, without prejudice to the rights of third parties excepting in the cases prescribed in article 13 hereof. They may be issued in favor of a person other than the applicant only on proof of the transfer of the rights of the applicant in favor of the said person in a public deed. The interested party shall prove that he has paid the rental corresponding to his property before receiving his patent.

ART. 37. In the case of lands held in common the petroleum development of which shall not have been legally granted, only coowners may make entry on petroleum claims, and all action under such claim shall be suspended until all the coowners or their representatives shall meet under the chairmanship of the secretary of industry, commerce, and labor and make an express declaration, duly verified, of their individual rights; upon agreement a patent covering the ownership in common shall be issued to the petroleum claim comprising the subsoil of the land "pro indiviso." The share of each coowner shall be stated in such patent. The call for the meeting of the coowners shall be posted on the bulletin board of the respective petroleum agency within a term of 60 days; it shall likewise be published three times within the same term in the Official Gazette and in the two newspapers of largest circulation in the locality.

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The department of industry, commerce, and labor is hereby authorized to appoint a committee charged with negotiating before the proper authorities the issue of patents of ownership in favor of such coowners.

ART. 38. If on the expiration of a period of 90 days reckoned from the date of the call to which reference is made in the foregoing article, all the coowners of the property in question fail to present themselves, such thereof as fail to present themselves shall be deemed to have forfeited their rights and patents to the property shall then be issued, subject to the compliance with the provisions of this law, to such coowners as do appear. Whenever those present do not seek to obtain patent covering the petroleum claim to all the land held in common, patent shall be issued for such portion as they wish, and the balance shall be declared free land.

ART. 39. The grantee of a petroleum property may at any time solicit a reduction in area. The petition to this effect shall be submitted to the proper petroleum agent together with the plat of the reduced claim and the original patent.

The new patent shall cancel the former patent, and no stamp tax by way of patent shall be assessed; but the grantee shall be bound to fix the boundary marks of the reduced property within the period set by the department of industry, commerce, and labor. So soon as the reduction shall have been agreed upon, the excess land shall be declared free.

ART. 40. The grantee of a property may extract therefrom all substances mentioned in article 3 hereof, without any other limitation than that of not trespassing by means of his extraction work on adjoining properties and that of complying with the provisions of this law and of such regulations as may later be enacted on petroleum department.

ART. 41. Operators of a petroleum property may occupy within the boundaries of a claim, subject to authorization of the department of industry, commerce, and labor, the surface area necessary for the work of extraction and for the immediate storage of the oil extracted, paying in such event the corresponding compensation to whomsoever may be thereto entitled; any judicial action instituted hereunder shall not delay the prosecution of the work.

ART. 42. Operators of a petroleum claim shall acquire easements of passage and of pipe lines on obtaining permission from the department of industry, commerce, and labor; they may likewise build such pipe lines and pumping stations as the development of the property requires on payment of proper compensation to whomsoever may be thereto entitled; any judicial action instituted thereunder shall not retard the carrying out of the work.

ART. 43. Operators of a petroleum property shall have the right to establish storage tanks and refineries, subject to the approval of the department of industry, commerce, and labor, and to the assent of the owners of lands it is sought to occupy. In the event of failure to obtain such assent, condemnation proceedings of the area necessary for such work shall be instituted.

ART. 44. Operators of petroleum properties shall have the right to build wharves, loading stations, and submarine pipe lines, subject to the approval of the department of industry, commerce, and labor, and in conformity with the provisions enacted on the subject by the department of finance and public credit and of communications and public works.

ART. 45. Only the respective grantees shall have the right to build storage tanks or refineries on petroleum claims.

ART. 46. The grantee of a petroleum claim may enjoy the surface waters for the needs of his operations, in pursuance of the general law on the subject. He may use the subsoil waters for the same purpose, subject to the approval of the department of industry, commerce, and labor, and on payment of the corresponding compensation to whomsoever may be thereto entitled.

ART. 47. The grantee of a petroleum claim on leased land shall pay the tax fixed by articles 2, 3, and 5 of the decree of July 31, 1918, making such distribution as is established in article 12 of the same law.

ART. 48. The grantee of a petroleum property on land not leased shall pay an annual rental of five pesos per hectare and a royalty of 5 per cent of the output.

ART. 49. Taxes shall be due and payable from the date of the entry and shall be paid in two monthly periods in advance; payment shall be made during the first fortnight of each period of two months.

ART. 50. Within a period of one year from the date of the issue of a patent the interested party shall build boundary marks at the vertices and other clearly defined points and such other intermediary marks as are necessary to make each boundary mark readily visible from the one next before; he shall

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be bound also to present in duplicate to the petroleum bureau the plat of the land thus marked out. This plat shall fulfill the requirements of the department of industry, commerce, and labor, and the ratification or rectification of the patent shall be in conformity with such plat.

If the grantee shall fail to comply with this obligation, the department of industry, commerce, and labor shall impose upon him a fine varying between 50 and 1,000 pesos, according to the size of the property and the recurrence of the offenses; it may likewise cause this work to be done at the expense of the grantee.

ART. 51. The interested party shall, within two years reckoned from the issue of the patent submit in duplicate to the petroleum department the plans and descriptive data relating to the proposed work for the development of the petroleum property. These plans and data shall follow the requirements fixed by the department of industry, commerce, and labor.

If the grantor fails to submit the documents provided for in this article, the department of industry, commerce, and labor shall assess him a fine of 50 to 1,000 pesos, according to the size of the property, granting him another term within which to submit the said documents; no development work shall be begun until compliance shall be had with this requirement.

ART. 52. Within three years, reckoned from the issue of a patent, the grantee of a petroleum property shall be bound to prove to the satisfaction of the petroleum bureau that work on the development of this property has been begun.

ART. 53. The ratification or rectification mentioned in article 50 hereof may be made at the request of the owner of the property, of interested adjoining owners, or as a matter of course by a ruling of the department of industry, commerce, and labor. In this last event the final decision of the department of industry, commerce, and labor shall not affect the rights of the owner of the claim nor those of the adjoining owners who believe their interests are prejudiced.

ART. 54. Grantees of petroleum properties shall be bound to furnish the department of industry, commerce, and labor such technical and economic data as it may demand through the petroleum bureau; they shall likewise be bound to admit on their properties pupils from public schools who may be sent for practical study of the petroleum industry and to afford them every facility in their task. These obligations shall likewise be imposed upon the grantees of pipe lines, refineries, storage tanks, and loading stations.

ART. 55. Patents to petroleum properties shall be forfeited for the following reasons: Through failure to pay the tax referred to in articles 47 and 48 hereof; through failure to comply with the conditions laid down in articles 52 and 54; through suspending work for a period of six consecutive months without cause, after the work of development shall have begun; or through any grave infraction of the regulations of development (reglamento de explotacion).

ART. 56. Forfeiture shall be declared by the administrative authorities through the department of industry, commerce, and labor, after opportunity shall have been given to the interested party to be heard in his own defense, provided he can not prove that his failure was due to "force majeure."

ART. 57. In the event of forfeiture through failure to pay the rental prescribed, the corresponding declaration shall be made within four months following the period of two months within which the failure to make such payment occurred.

In the case of forfeiture through failure to pay the royalty prescribed, the declaration shall be made within the period of two months following that in which the ground for forfeiture occurred.

ART. 58. In the case of the declaration of forfeiture of any petroleum claim, patent to which shall have been issued to any assignees, such claim shall only be open to entry during the three months following the declaration of forfeiture by the prior assignees and by the owner of the surface of the property, who, to this end, shall make a declaration in the form prescribed in articles 15 and 17 of this law in order that the petroleum bureau of the department of industry, commerce, and labor may admit the entry of the last assignee of the right of development.

If the property whose patent shall have been declared forfeited be operated by a third party through a contract still in force, the contract of development shall subsist, the new assignee taking the place of the former assignee for the purposes of the said contract.

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ART. 59. The actual operator of a property, officially recognized as such, whose patent shall have been declared forfeited, but who is not the grantee of the property, shall enjoy a preferential right of entry, valid within the 30 days following the term granted in the foregoing article to the several assignees of the right of development and to the owner of the surface of the property, provided none of them have made use of these rights.

He shall likewise enjoy this preference in the cases of forfeiture not included in the foregoing article, within the 30 days following the date on which the declaration of forfeiture shall have been posted on the bulletin board of the respective agency.

ART. 60. Every property comprising leased lands, patent to which shall have been declared forfeited, shall be deemed to be "free land" on the expiration of the terms fixed in the two foregoing articles and of the 30-day period from the date on which the declaration that the land is subject to claim shall have been posted on the bulletin board of the respective agency.

ART. 61. Every property comprising lands not leased, and title to which shall have been declared forfeited, shall be deemed to be free land 30 days after the declaration of forfeiture shall have been affixed to the bulletin board of the respective agency.

TRANSITORY ARTICLES.

1. Entries may be made only on land, statement regarding which shall have been duly submitted and whose area exceeds 4 hectares, provided there exist at present on them wells either in a state of production or which are being drilled, and provided further, that they are corrected by permits previously granted, and provided still further, that statements relating thereto shall have been filed in accordance with the decree of July 31, 1918.

2. The decree of July 8, 1918, and all laws, regulations, and provisions are hereby repealed in so far as they conflict with the present decree.

V. CARRANZA.

MEXICO CITY, *August 8, 1918.*

Mr. DOHENY. This decree provides that article 27 should be put into execution by the recognition of the Government as the owner of all the oil beneath the land which for years has been operated by the various oil companies, and that in carrying out such recognition they shall file manifestos or documents showing the basis of their titles, etc., and that they shall pay rental for those lands at a certain rate per given area, and also royalties at a certain percentage upon the production; that any company refusing to do so would have its titles confiscated or, at least, the right to operate the land would revert to the land government by May 27 of the same year, 1918.

This decree brought forth from the State Department a letter, dated April 2, 1919, which established the policy of this Government with regard to such decree.

I would like to submit a copy of the letter of April 2, 1918, as showing the attitude assumed by our Government, and which attitude has been attacked within the last few days by witnesses, who find fault with the sense of justice of our State Department, by attempting to prove—although they were not qualified to do so—that the Mexican Government has not attempted to confiscate American property.

The CHAIRMAN. We shall be glad to have that letter go into the record.

(The letter above referred to is here printed in full in the record as follows:)

MEXICO, *April 2, 1918.*

EXCELLENCY: The decree of the 19th of February, 1919, which was published in the Diario Oficial on the 27th of February last, establishing a tax on oil lands and oil contracts executed prior to the 1st of May, 1917, etc., has been

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brought to the attention of my Government, and I am under instruction to state to your excellency that my Government has given careful consideration to the effect which this decree, if carried into operation, will have upon American interests and property rights in Mexico.

PROVISIONS OF THE DECREE.

The said decree provides for the imposition of certain taxes on the surface of oil lands, as well as on the rents, royalties, and production derived from the exploitation thereof. It is noted also that among the provisions for the collection of such taxes is one requiring that payment in kind shall be delivered to the Mexican Government at the storage stations of the operators. Articles IV, XIII, and XIV of the said decree seem to indicate an intention to separate the ownership of the surface from that of the mineral deposits of the subsurface and to allow the owners of the surface a mere preference in so far as concerns the right to work the subsoil deposits upon compliance with certain conditions which are specified.

While the United States Government is not disposed to request for its citizens exemption from the payment of their ordinary and just share of the burdens of taxation, so long as the tax is uniform and not discriminatory in its operation, and can fairly be cosidered a tax and not a confiscation or unfair imposition, and while the United States Government is not inclined to interpose in behalf of its citizens in case of expropriation of private property for sound reasons of public welfare, and upon just compensation and by legal proceedings before tribunals allowing fair and equal opportunity to be heard and given the consideration to American rights, nevertheless the United States can not acquiesce in any procedure ostensibly or nominally in the form of taxation or the exercise of eminent domain but really resulting in the confiscation of private property and arbitrary deprivation of vested rights.

NOT A NEW PRINCIPLE.

Your excellency will understand that this is not an assertion of any new principle of international law, but merely a reiteration of those recognized principles which my Government is convinced form the basis of international respect and good neighborhood. The seizure or spoliation of property at the mere will of the sovereign and without the legal process fairly and equitably administered, has always been regarded as a denial of justice and as affording internationally a basis of interposition.

My Government is not in a position to state definitely that the operation of the aforementioned decree will, in effect, amount to confiscation of American interests. Nevertheless, it is deemed important that the Government of the United States should state at this time the real apprehension which it entertains as to the possible effect of this decree upon the vested rights of American citizens in oil properties in Mexico. The amount of taxes to be levied by this decree are in themselves a very great burden on the oil industry, and if they are not confiscatory in effect—and as to this my Government reserves opinion—they at least indicate a trend in that direction. It is represented to the State Department that the taxation borne by the oil fields of Mexico very greatly exceeds that imposed on the industry anywhere else in the world. Moreover, it would be possible under the terms of the decree, in view of the fact that the Mexican Government has not storage facilities for the taxes or royalties required to be paid in kind, by storing the same in the tanks of the operators, to monopolize such storage facilities to the point of practical confiscation thereof until emptied by order of the Mexican Government or by the forced sale of the stored petroleum to the operators at extravagant rates.

SURFACE AND SUBSURFACE RIGHTS.

It is, however, to the principle involved in the apparent attempt at separation of surface and subsurface rights under this decree that my Government desires to direct special attention. It would appear that the decree in question is an effort to put into effect as to peroleum lands, paragraph 4 of aricle 27 of the constitution of May 1, 1917, by severing at one stroke the ownership of the petroleum deposits from the ownership of the surface, notwithstanding that the constitution provides that "private property shall not be expropriated

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except by reason of public utility and by means of indemnification." So far as my Government is aware no provision has been made by your excellency's Government for just compensation for such arbitrary divestment of rights nor for the establishment of any tribunal invested with the functions of determining justly and fairly what indemnification is due to American interests. Moreover, there appears not the slightest indication that the separation of mineral rights from surface rights in a matter of public utility upon which the right of expropriation depends, according to the terms of the constitution itself. In the absence of the establishment of any procedure looking to the prevention of spoliation of American citizens, and in the absence of any assurance were such procedure established, that it would not uphold in defiance of international law and justice the arbitrary confiscations of Mexican authorities, it becomes the function of the Government of the United States most earnestly and respectfully to call the attention of the Mexican Government to the necessity which may arise to impel it to protect the property of its citizens in Mexico divested or injuriously affected by the decree above cited.

The investments of American citizens in the oil properties of Mexico have been made in reliance upon the good faith and justice of the Mexican Government and Mexican laws, and my Government can not believe that the enlightened Government of a neighboring Republic at peace and at a stage in its progress when the development of its resources so greatly depends on its maintaining good faith with investors and operators, whom it has virtually invited to spend their wealth and energy within its borders, will disregard its clear and just obligations toward them.

Acting under instructions, I have the honor to request your excellency to be good enough to lay before his excellency, the President of Mexico, this formal and solemn protest of the Government of the United States against the violation or infringement of legitimately acquired American private property rights involved in the enforcement of the said decree.

Accept, excellency, the renewed assurance of my highest consideration.

HENRY P. FLETCHER.

Mr. DOHENY. I did not intend, when I started in on this line of talk, to make an argument, but I merely intended to call attention to another plan of confiscation that has grown out of these decrees and article 27, which are existing menaces to the oil producers, and I will skip over this matter of the direct dispute between the oil men and our Government on the one hand with the Mexican Government on the other. I simply touch on that matter because it is one that even though this other dispute may remain unsettled for a long period of time—ought to be settled now because of its obvious injustice and its lack of any benefit to the Mexican Government.

After the decree of February 18, 1918, the Mexican Government adopted the policy of refusing a permit to drill to any company which had not filed these documents required by the decree of February 18th. And inasmuch as 95 per cent of the oil producers engaged in Mexico had refused to do the thing which would be an admission of the lack of ownership of their own properties, they were refused the right to drill upon those properties, and are still so refused. In a later communication from one of the Mexican authorities, I think Mr. Santaella, he asserts that the only reason why the American oil producers had been refused the right to drill was because they refused to obey Mexican laws. That statement on his part is an intentional falsehood. The American companies, with the consent and approval and at the suggestion of our own State Department, refused to file these manifestoes, which would have been an acknowledgment of the confiscation of their own properties. The decree which they disobeyed is not a law of Mexico. It is merely an illegal decree issued by President Carranza, which his best legal advisers tell him is illegal, because it is beyond his power to issue any

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decree, under his extraordinary powers granted by Congress, except those that relate to matters connected with the department of finance, and this relates to matters connected with an entirely different department, that of Fomento.

In other words, the Mexican Government has attempted, by constitutional legislation, followed by decree, to obtain the surrender by the American petroleum producers of all of their rights in Mexico, and their acceptance in lieu thereof of some sort of a mining claim which would be more easily confiscated at some later date than those titles which they now have, because those which they now have are based upon a legal right and are held in such a way that they are entitled under international law to look to their own Government for the protection of such rights.

Failing to get them to surrender their properties willingly, they now refuse them the right to drill upon those lands. The refusal of the right to use a property, which you have the right to use, is certainly confiscation. That form of confiscation is being carried on to-day in Mexico, and, notwithstanding all their assurances that they do not intend to do anything to deprive Americans of their rights, there has been no attempt on the part of any Mexican official to explain why they have refused drilling rights to companies which they admit have the right to drill upon the land.

I do not of my own suggestion think of any other matter of which you might be willing to have me give some information, but I am ready to answer any questions that you see fit to submit to me.

Senator BRANDEGEE. I was going to ask you about this decree of April 2, which the stenographer took out.

Mr. DOHENY. The letter?

Senator BRANDEGEE. The letter by Mr. Fletcher.

Mr. DOHENY. Yes.

Senator BRANDEGEE. What ground did they take? I didn't have the opportunity to read it. Can you state substantially the position of our State Department?

Mr. DOHENY. Well, it took the ground that, under international law, the right of foreigners could not be set aside by mere legislation or the adoption of a new fundamental law, and that any act that led to that would be considered a sufficient ground for interposition, quoting exactly the words, I think, used by Secretary Bayard in a communication made to the Government of Peru during the presidency of Mr. Cleveland.

Senator BRANDEGEE. What was the reply of the Mexican Government to that representation of our own State Department? Is that in one of these books?

Mr. DOHENY. Yes, sir; I think it is.

Senator BRANDEGEE. Can that go in the record also?

Mr. DOHENY. I would like to submit a dossier we have made up, containing an immense amount of information collected by our attorneys on this subject. I am not familiar with the wording of these documents, nor with the purpose and intent of all of them, but if you desire I will have those portions marked with a pencil that I think you would be interested in.

Mr. WALKER. I made a mistake when I said the Government reply had been published. It has not been published. The United States

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Government asked for permission to publish it, and although the Mexican Government published a United States note without permission they have refused the United States Government the permission to publish this reply.

Mr. DOHENY. Nevertheless, we have included a copy of it with these documents.

Mr. WALKER. No, sir.

Mr. DOHENY. I will see that the committee gets a copy. I will file a copy of it, because we have a copy.

Senator BRANDEGEE. If you file this document you speak of——

Mr. DOHENY. The reply from the Mexican Government?

Senator BRANDEGEE. Yes; and the other thing you referred to—dossier. I don't know what you mean by it; I suppose you used a Spanish word; but this tabulation by your counsel to which you have referred—then we can order any portion of it that we think proper to be put in the record.

Mr. DOHENY. I will have it marked so as to call your attention to the portions I think are explanatory. In fact, the whole thing really is a record of the actions that have been taken by our own Government, the Mexican Government, and by our association in connection with this entire dispute.

Senator BRANDEGEE. What is the quality of the oil produced in your field, as compared with that in the Texas and California fields?

Mr. DOHENY. There are many different kinds of oil produced in the California and Texas fields, but in Mexico up to date we have only two distinct classes of oil, and both of them are the heavy type of oil. The oil which was first developed and which is produced in the Pamico district is of very heavy Baumé gravity, 10° to 12° Baumé, is viscuous, as thick as cold honey, is a very satisfactory fuel oil, produces a very fine quality of asphaltum, does not yield a high percentage of gasoline, and is not refined to any great extent.

The oil that is produced in regions farther south, commencing about 5 miles south of Tampico, is a much lighter oil, averages about 20° Baumé, yields about 12½ per cent gasoline, contains a considerable percentage of kerosene if refined, and its ultimate commercial product will yield a substantial percentage of lubricant and 2 or 3 per cent of paraffin. It is usually refined for the purpose of producing two commercial products, mainly—that is, gasoline and fuel oil—although quite a substantial percentage of kerosene is also taken out in refining. This lighter oil which I refer to contains a much larger percentage of gasoline than any other oil of the same gravity produced in the world. The average percentage of gasoline in the oil produced in California and Texas is 5 to 7 per cent, and, as I stated before, this Mexican oil yields about 12½ per cent.

Senator BRANDEGEE. What is the most valuable ingerdient of the oil as it comes out from the ground?

Mr. DOHENY. The gasoline. The lubricants are not so valuable.

Senator BRANDEGEE. Would it be possible in a general way to state to quality of the oil you produce in Mexico? Is it better or inferior to that of Texas?

Mr. DOHENY. Well, the oils we produce in Mexico are less valuable than the Texas oils. That does not mean they are inferior, but they produce a smaller percentage of the more valuable commercial prod-

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uct, such as gasoline, although they are much more valuable than some of the Texas oils. But the great production of the Ranger and other fields in northern Texas of light oils, carrying a higher percentage of gasoline, has raised the standard of the Texas oils from that of the very low standard that prevailed several years ago to among the best oils produced in the country.

Senator BRANDEGEE. I thought I remembered your stating yesterday, in regard to some oil that you got out in Mexico, that it took four and a half barrels of oil to equal in efficiency 1 ton of coal.

Mr. DOHENY. I said three and one-half.

Senator BRANDEGEE. I understood you to say a little while ago, referring to some oil used by the English, or some report made by them, that one barrel of oil was equal to 2 tons of coal.

Mr. DOHENY. One ton of oil is equal to 2 tons of coal.

The English speak of all fuel by the ton. As a matter of fact, during the war all the oils that were sold on that side were sold by the ton for export to the war zone. It is not a bad way to speak of oil where it is used for consumption in transportation, because the weight of the fuel has quite as much to do with its value, where it is carried a long distance, as the cost of it. This is not a direct answer to your question, but it contains some information as to why oil is more valuable as green fuel that as fuel under a stationary boiler, because the further oil is carried, as compared with coal, the cheaper it is. It takes 2 tons of coal to do the work of 1 ton of oil. That takes the place of a ton of freight which might be earning something, or if you look at it in another way, the same bunker space or the same tonnage capacity will carry a ship to its port of destination and back, where you would have to take coal at both ends of the voyage.

Senator BRANDEGEE. How many barrels of oil will it take to weigh a ton?

Mr. DOHENY. Approximately seven barrels. That depends on whether you use the United States ton of 2,000 pounds, the metric ton of 2,204 pounds, or the English ton of 2,240 pounds. The weight of oil is a little less than that of water—the weight of fuel oil.

I might suggest that, in order to put before the United States Government and the people of the United States an unprejudiced study of the entire Mexican situation, at the suggestion of a prominent New Yorker, four years ago I authorized him to organize for me a committee of 12 college presidents to take up the study of Mexico, in the interests of humanity and of Mexico and the United States, and to report to the President of the United States, and have the report published in book form. I never learned the names of those gentlemen, although I put up nearly $20,000 to meet the expenses which they were incurring.

I am mentioning this, not for the purpose of exalting myself as a giver of money for eleemosynary purposes, nor for the purpose of advertising myself as a man whose name ought to read "E. Z." instead of "E. L.," but merely for the purpose of calling attention to the facts that there are people interested in Mexico who are also interested in an impartial and unprejudiced report of the conditions there by men qualified to make such a report, and which would be dignified by the character of the men themselves. And I was

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gratified to learn yesterday that among the gentlemen operating on that committee was Prof. Winton, who testified here.

Senator BRANDEGEE. Is the committee operating yet?

Mr. DOHENY. No. They dropped it, and I will explain why, because Prof. Winton did not seem to know. The committee was organized with Prof. Dabney, of the University of Ohio, I think, as chairman. I named one or two members of the committee myself, and one of the two I named could not act. I named Bishop Conaty, of Los Angeles, and also Dr. Norman Bridge, the treasurer of our companies. The other names I will secure for you and place in the record, because I am proud to have been associated, even though very indirectly, with these men.

Senator BRANDEGEE. You were about to state why they dropped it.

Mr. DOHENY. They had several meetings. I think Prof. Winton made a report to them last year on knowledge he already had about Mexico.

The CHAIRMAN. Yes, sir; he called our attention to that.

Senator BRANDEGEE. I will not bother you about that.

Mr. DOHENY. It was not stated before. Prof. Winton didn't know. The work was carried on for several months, but it was being carried on while I was in Europe. I went over there after the war commenced and was there during the months of March and April, and while I was gone they had their meetings. When I came back I arranged with them to go through Mexico, and I attempted to arrange to get transportation facilities so they could go where they wished.

At that time there were two armed forces in Mexico opposing each other, it seemed, with nearly equal chances of success, and the Government of the United States had already made some overtures to them to lay down their arms and get together with representatives of South American countries and of the United States and arrive at some satisfactory settlement of the Mexican situation. The two leaders at that time were Francisco Villa and Venustiano Carranza. They were joint leaders of the constitutionalist forces against Huerta, and disagreed later on. At that time Villa held a portion of northern Mexico, and had advanced as far south as Mexico City and had placed the president that he favored in charge in Mexico City.

The Carranza forces were badly scattered. Gen. Obregon was somewhere in Hidalgo or Vera Cruz, and Gen. Carranza was at Vera Cruz, on the island of San Juan de Ulloa.

I attempted to get what is called in Mexico a safe conduct for these gentlemen through northern Mexico, and I was told by people in communication with Villa that that would be granted throughout his territory. I endeavored to get it, through a representative I had in Vera Cruz, from Gen. Carranza, but he would not grant it. Nevertheless, we intended to endeavor to make the trip, but about the time they were ready to go a battle took place between Gen. Obregon, who was returning to his home in southern Mexico, and the forces of Villa in the town of Silao, which resulted in the defeat of Villa, the scattering of his forces over northern Mexico, and the demoralization of transportation facilities to such an extent that the people who headed the organization made up their minds, with me, that it was not wise at that particular time to undertake a study

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of the situation, because it would have to be made under such unfavorable auspices. So it was dropped.

Later on, about two years ago, another gentleman who knew about the effort that I had made to have this carried out came to me and suggested that he was willing to take up the work and make a study of the Mexican situation. After giving it full consideration I told him I was willing to devote up to $100,000 for the purpose of making the study, as he unfolded the plan to me. I wrote him a letter of authority, a copy of which I will place in the record later on. I haven't it with me. I actually expended to date nearly $120,000, and the work is not yet completed.

But I have got with me a statement of the names of the men who were engaged in it, and I will file this list, so the stenographer need not take down the names, just for the purpose of showing you what the work was and that it was not propaganda work, nor anti-Carranza work, nor intervention work.

(The list above referred to is as follows:)

DOHENY RESEARCH FOUNDATION—LIST OF PERSONS ENGAGED IN GATHERING MATERIAL, GIVING SOMEWHAT SPECIAL ATTENTION TO SUBJECT OPPOSITE TO HIS OR HER NAME.

Percy Martin, Stanford University, California	Labor.
Theodore Macklin, University of Wisconsin	Agriculture.
Robert Cleland, Occidental College, California	Mining.
F. W. Powell, Columbia University, New York	Transportation.
W. W. Cumberland, University of Minnesota	Manufacturing.
Isaac J. Cox, Northwestern University	Education.
Harry A. Bard, formerly commissioner of education, Peru	Education.
Arthur N. Young, Princeton University	Public finance.
W. F. McCaleb, Chicago University	Banking.
Chester Lloyd Jones, University of Wisconsin	Commerce.
Julius Klein, Harvard University	Commerce.
George Winfield Scott, formerly of Columbia University	Foreign relations.
W. L. Blair, journalist	Government.
H. I. Priestly, University of California	Government.
Albert Noel, journalist	Public health.
James Robertson, Latin American Division, Department of Commerce	Public health.
Wallace Thompson, journalist	Social conditions.
Miss Ida A. Tourtellot, Hampton Institute, Virginia	Social conditions.

These are the people who gathered the material, and gathered it in some way I know nothing about. I have had detached accounts occasionally that this, that, or the other man had gone into Mexico, with a passport or without a passport. Most of them were refused passports by Mr. Bonillas, the minister from Mexico, because it was the work of somebody they had determined to make an enemy of. The parties in power in Mexico had determined to make an enemy of me on account of my success, and I want that to go in the record. They have tried to prevent me from doing the things I would like to do to help out those people down there, and for whom I lay down to no man in desire to give assistance, both as a friend of humanity and a friend of the people who have always been friends of mine. There were 78,000 pages, more or less, of matter gathered by these men. This is a list of the people who were engaged in research and foundation work, and I don't suppose I have met 10 of the men engaged in it. I don't know what they have done. The work has not been completed. So, good or bad, it has not done much harm to

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Mexico and has not accomplished much in the way of bringing about intervention, if that was its purpose.

The CHAIRMAN. That was not its purpose in any sense.

Mr. DOHENY. Absolutely not. This is the list:

DOHENY RESEARCH FOUNDATION.

LIST OF PERSONS ENGAGED IN INTERPRETING MATERIAL, GIVING SPECIAL ATTENTION TO SUBJECTS OPPOSITE THEIR NAMES.

Elwood Meade, University of California	Irrigation.
Frank Probert, University of California	Mining.
Victor S. Clark, editorial staff Atlantic Monthly and Living Age	Manufacturing and commerce.
W. E. Dunn, University of Texas	Banking.
W. T. Sedgwick, director School Public Health, maintained jointly by Massachusetts School of Technology and Harvard Medical School	Public health.

LIST OF PERSONS COMPOSING STAFF OF RESEARCH ASSISTANTS, TRANSLATORS, AND COMPUTERS IN VERY FINE DOUBTFUL POINTS.

Herbert Thompson.	J. M. Butterfield.
W. L. Blair.	A. L. Tays.
Percy Martin.	Livingston Porter.
W. W. McEuen.	Franklin Schneider.
H. H. Havermale.	Albert Noel.

Senator BRANDEGEE. I want to ask you a question about oil. How long is it possible to store oil?

Mr. DOHENY. Oil loses its value by evaporation from month to month, if it is stored, but it can be stored indefinitely with that constantly changing condition.

In regard to this "Doheny Research Foundation," I want to say that after having presented the letter, by the terms of which I authorized the work to go on, to the president of the University of California, that university kindly allowed them space in their building and many facilities of their institution for carrying on the work. I just received a letter, sent to me to London, from President Benjamin Ide Wheeler, of the University of California. This just came to me last night, and I would like to read it as showing the opinion which he has of the work of this research foundation, and which, of course, is information to me, because I never followed the progress of the work and did not know what they were doing.

(The letter referred to is here copied in full as follows:)

UNIVERSITY OF CALIFORNIA,
126 University Library, Berkeley, July 21, 1919.

MY DEAR MR. DOHENY.: Now that we have created a full year of experience in the workings of the Mexican Commission founded and developed by you, I want to express to you my appreciation of the success which has attended the undertaking. It was evidently a venture. You were undertaking something toward which you could only grope. There was a lack of definite data regarding similar undertakings. I doubt if there had been any such a plan. You were willing, however, to go ahead and take the initiative. The university seconded your endeavors by giving you shelter. The value of the academic shelter is not to be underestimated. It means on the whole an assurance that inquiries conducted under the name of the university shall be disinterested and fair to all parties and points of view. Universities frequently make mistakes

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like other institutions, but they have the interesting quality of scientific disinterestedness. At least that is so for most of the time and for most people.

Really the best assurance of disinterested inquiry rests with the character of the men employed by the commission. This commission has, in matter of fact, been made up of excellent men, upright, and honest, and able. It is evidently of great importance for the United States to get on well with Mexico. The only way for the two parties to get on together is for them each to understand the other—to know exactly where the difficulty lies and what the need is. The only way to get at that is through scientific enquiry on a scientific basis with a scientific goal. I reckon also with the consideration that we must bring this scientifically developed matter to public attention and public understanding. A considerable variety of publications will be necessary in order to bring the material fact fully and effectively to the attention and the knowledge of the two communities. It will not only be necessary to publish scientific pamphlets and scientific books, but there must be tracts and pamphlets which appeal to the public interest—which get a hearing and stir the hearing into reasonable and sensible action. I think your Commission has made a good beginning. So far as I can now see it promises well for the future. Nothing can defeat its purposes unless it discloses itself as apparently devoted to some kind of propaganda or as having an "ax to grind." There are frequent inquiries made as to what the purposes of the commission are, and it would be undoubtedly easy to make a mistake. There is no safety except in absolute scientific disinterestedness. So far as I have been able to see nothing has been done that could impair the claims of the commission to scientific honesty. I believe it is our duty to go steadily ahead on the path we have been going and continue on earning a good name. I congratulate you on the work you have been able to do. It seems to me altogether worth while.

Very faithfully, yours,

BENJ. IDE WHEELER.

E. L. DOHENY, Esq.,
Care William Salomon & Co., London, England.

Mr. DOHENY. I would like to put this letter in for the benefit of those who may care to read this testimony.

The CHAIRMAN. It will be placed in the testimony following the list of names.

Mr. DOHENY. In other words, I would like to show the attitude of the oil people toward the people of Mexico, and to show we have not been unmindful of the needs of those people down there, as well as the rights of our own stockholders. When I first became acquainted in Mexico I became very well acquainted with a gentleman who was our second attorney, Mr. Joaquin De Casasus. We had to dispense with our first attorney, because he had to choose between the railroad company, whom he had for a long time represented, and our oil company, which had so recently become his client, because of the contract and threatened lawsuit which existed between them. So Mr. Casasus became our attorney and my very warm friend.

I ventured one day to say to him, in a moment of generosity, that I would like to have the opportunity of doing some good in the way of developing the best instincts of and of educating the people who were in our employ and who lived in our vicinity of the Huasteca region. I asked him if he would request his wife and ask Secretary Lemantour if he would request his wife, to become the sponsors for an academy I would establish at Ebano, or Chijol, or some other suitable place to be selected by us jointly, for the education of the children of those who worked for us as well as those who might care to come from more distanct localities. I offered to place at their disposal, for the purpose of carrying on this education, $50,000. I asked them to furnish us with the teachers and to be sponsors for

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the school, so we could not be accused of doing something contrary to the laws of Mexico. That was submitted to Mr. Limantour in my presence by Mr. Casasus. It was acknowledged, and I never heard another word about it.

Years later, when Mr. Madero came into power, I told Mr. Madero of my desire to do something to start an educational institution on our property, or near it, at some suitable point, to develop a technical and agricultural school. I told him of the developments we had made which justified now a larger institution than the one I had talked of to Mr. Cassasus, and I suggested that one of the healthiest places on our property, a place called Chijol, would be suitable, and that I would get our company to grant a thousand or more acres of land, or hectares of land, if that amount were needed, and we would start an institution there for the training of Mexicans of any age who might desire to learn agriculture; that we would build machine shops and other places needed to do the work in the oil camps and educate the young men and give them technical training.

I offered to contribute for that purpose $500,000. I made the offer again later on through Mr. Calero, who had been the minister of foreign relations for Madero and who was at that time ambassador to the United States. Mr. Calero promised me to take it up with Mr. Madero and see if a law could not be framed that would permit of the organization of such an institution and to have for its control such trustees as might be selected to see that the money was properly used.

The death of Mr. Madero the next spring prevented that from being carried on.

I just mention those as incidents to show the feeling which our company has always had toward the people among whom we were doing business since nearly 20 years ago.

Senator BRANDEGEE. Was this to be a free academy?

Mr. DOHENY. A free academy; yes, sir.

The CHAIRMAN. You have, however, carried on the schools, the photographs of which you showed here this morning?

Mr. DOHENY. We have carried them on at our own expense with competent teachers and they are training a large number of pupils. They are not public schools, but they are open to the public; they are privately maintained, but open to the public.

Here are some more photographs showing how the people live down there. I would like to place these on file to show we take care of our employees [handing photographs to the chairman].

The CHAIRMAN. They are very instructive.

Mr. DOHENY. These show the homes of the peons.

The CHAIRMAN. What rent do you charge your employees for those houses?

Mr. DOHENY. I am afraid I could not answer that.

Mr. WALKER. Nothing, Mr. Doheny.

Mr. DOHENY. I am perfectly willing to answer that under oath, on account of the source of the information.

The CHAIRMAN. What is the source of their water supply?

Mr. DOHENY. We bring the water through a steel pipe line a distance of about 45 miles—or we did bring it that distance. Now we have developed some water about 4 or 5 miles away, good, clean well water, and they have baths and hydrants in their houses just exactly

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the same as the Americans have. Their source of supply of water is the same. Their ice is from the same place; their food is of the same quality, and their houses are inspected for sanitary purposes by our health officers.

The CHAIRMAN. What do they pay for water; do you know?

Mr. DOHENY. They pay nothing for water, nothing for light, nothing for fuel of any sort. I am quite sure that is true—I do not testify as to this under oath, but I am quite sure this is true as to every oil company operating in the Huasteca region—as to every American company, and the others, too, I think.

The CHAIRMAN. Mr. Doheny, you said you would see that the committee had a copy of the reply of Gen. Carranza to the note of Mr. Lansing. Would you care to give us in general words from your memory the purport of that reply, or do you prefer to wait until you can furnish us with a copy of the letter?

Mr. DOHENY. I think you would get it more nearly correct if Mr. Walker were to give it. Mr. Walker has been our representative here before the State Department in connection with all these matters, and I think his memory would be better as to the language of that letter.

Do you chance to remember it, Mr. Walker?

Mr. WALKER. I remember the purport of it.

Mr. DOHENY. Only the purport?

Mr. WALKER. Yes.

The CHAIRMAN. We will take that subject up later.

Mr. Doheny, you spoke of the increase in your taxes within a year, something about the percentage of increase being approximately 800. Is that simply a tax to the regular Government paid through governmental channels?

Mr. DOHENY. Yes, sir.

The CHAIRMAN. Did it include any other expense connected with your properties there?

Mr. DOHENY. No, sir. I think those other expenses are carried to "General expenses" if I remember rightly.

The CHAIRMAN. What are the other expenses? I do not mean in amount, but what is the occasion for them?

Mr. DOHENY. With the advent of the first revolutionary forces into the Huasteca region came the occupation of the oil territory by an opposing force to that which occupied the harbor of Tampico, and at the time that the Huerta forces, or Federals, were in charge of Tampico, the surrounding country was quickly occupied by what were called Constitutionalists, who were opposing Huerta, and were supposed to be following out the ideas of Madero and were determined to oppose the usurpation of Madero's power by one of his generals—Huerta.

The first demand upon us for the payment of taxes or contribuciones, or whatever they might be called, was from a general of the Constitutionalist Army who had organized a force in Vera Cruz, and who had come up from central Vera Cruz toward Tampico, and had located near Tuxpan. He sent word to Mr. Walker or Mr. Green, our superintendent, that he must pay $50,000 (pesos) under penalty of being prevented from shipping oil from our properties.

The CHAIRMAN. At that time were you paying taxes to the Huerta government on your oil shipments?

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Mr. DOHENY. Up to that time we had been paying; but right there there are two subjects that really might be discussed at the same time. In reply to your last question, I will say that as soon as our Government turned its back on Huerta and refused to recognize him, we refused to pay him any more taxes. Up to that time we paid taxes to Huerta. This other man, being merely a revolutionist who was opposed to Huerta, and at that time not, so far as we knew, connected with any other particular revolutionist, we hesitated to pay anything to him.

The CHAIRMAN. He was in charge of the oil fields where your oil wells were?

Mr. DOHENY. He was located near the oil fields at that time.

The CHAIRMAN. He was not in Tampico itself?

Mr. DOHENY. No, sir; he was outside of Tampico, about 100 miles south. His name was Gen. Candido Aguilar.

The CHAIRMAN. Was he the same Candido Aguilar who was in the city of Washington recently?

Mr. DOHENY. Yes, sir; the same man. He was at that time a self-appointed general of forces he had collected in central Vera Cruz, and was what might be called at present a rebel or a revolutionist or a bandit, if you please. Those names are all interchangeable in the country at the present time.

Let me make a correction. I was mistaken in the amount that he demanded. It was $10,000.

The CHAIRMAN. If you have a memorandum there, you can, of course, refresh your memory from it.

Mr. DOHENY. That money was paid to him, or part of it, by Mr. Walker, who went to Tuxpam for that purpose, thereby risking his life in order to save our properties, and with the knowledge and consent and after consulting John Lind, the United States presidential representative in Mexico, through the American consul at Vera Cruz.

That was the first contribution which we ever made to other than the government in authority at Tampico.

The CHAIRMAN. That was to Candido Aguilar?

Mr. DOHENY. Yes, sir.

The next contribution which we made—and, by the way, this is connected with our refusal to pay taxes to Huerta—was to Gen. Carranfia, through Felicitas Villareal and Rafael Zubaran y Capmany. Mr. Walker was living in the City of Mexico at that time as our representative there, and the Huerta or Federal officials were in power in that city. They demanded of Mr. Walker that he pay the taxes which we had failed to pay upon oil exported, but on advices from me he refused. Finally his life was threatened. He was threatened with arrest, imprisonment, and execution by the treasurer of Mexico if he did not pay the tax. So I advised him by cable to make a draft for $100,000 in favor of the Huerta treasury and then get out of Mexico, which he did, coming down to Vera Cruz. I immediately stopped payment on the draft, on the theory that it was obtained under duress by a government which our Government refused to recognize, and we were not in honor or in any other way bound to pay it. Luckily for Mr. Walker, our troops had just taken Vera Cruz, so when he got to Vera Cruz he was at home.

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But what I am going to state now is for the purpose of showing how we acted toward the Constitutionalist forces which at that time were headed by the present President of Mexico—Venustiana Carranza. I sought out his representative, Felicitas Villareal, who was the treasurer of the Constitutionalists, and Rafael Zubaran y Capmany. I told them of our refusal to pay taxes to Huerta and said that if they would give me their promise that if that draft came into their hands after they captured the City of Mexico they would return it to us and not present it for collection I would now pay them the amount of the draft in money, in New York, so that they could use it for the purpose of helping to finance their needs. I paid the cash and Dr. Bridge was with me in the Hotel Belmont in the city of New York. I also sent to see Señor Carranza, our attorney, or one of our attorneys, a man named Pedro Rendon, whose brother was the first man sacrificed by Huerta. I told him to assure Gen. Carranza of our friendship toward the cause of the Constitutionalists and of our refusal to pay taxes to Huerta and of our desire to act in accord with our own Government's attitude in connection with Mexico, and to tell him that if they needed fuel of any sort we would be glad to furnish them the fuel, keeping an account of it, and that we would refuse to pay taxes to Huerta, and that some time later when he came into authority we could adjust the matters and strike a balance as to the account against us for oil taxes and the amount which we might have charged against them for fuel oil delivered under our contract with the National Railways of Mexico.

This arrangement he agreed to and we carried it out to the extent of a credit to the Mexican Government of $685,000 and a charge against ourselves for taxes of $662,000. These figures are not exactly correct, but they are approximately correct.

About that time the situation had changed greatly. Huerta had resigned and left Mexico. Gen. Carranza and Villa had become estranged from each other. Carranza was living in Vera Cruz and Villa in some other part of Mexico.

When a representative from Mr. Carranza, the first chief of the Constitutionalist forces, arrived in Tampico with an account submitted by us to them of oils exported and a demand for the payment of the $662,000, of course, our representatives at Tampico were very much surprised, because they knew that the balance in our accounts with them were in their favor.

Nevertheless, he insisted upon our payment. Cablegrams were exchanged between our general superintendent in Mexico and myself. I instructed him not to pay. They threatened to detain our ships, but I continued to insist that he should not pay. Our ships were actually detained. An embargo was placed upon their movement. I telegraphed to Mr. Walker, who was spending New Year's Day with his family in the States on a vacation from Mexico, to immediately proceed to Galveston, where I would send to him a statement of our accounts against the Carranza Government with a copy of the draft which I had paid to Felicitas Villareal and Señor Zubaran y Capmany, and that he should go to Tampico and get such other evidences of our account against the Constitutionalists and of our indebtedness to them and proceed to Vera Cruz and get the account O. K.'d by Señor Carranza.

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I had a little yacht at that time as to which, by the way, I will take the liberty, if you will allow me, of placing its history in this record. It was a yacht called *Wakival I*, which I purchased and sent down to Mexico to remain in the port of Tampico under a full head of steam so as to be a haven of refuge to any of our employees who might be compelled to seek shelter because of the strained relations between the United States and Mexico.

I kept that yacht there under a full head of steam, using it occasionally for traveling to Texas across the Gulf, until the time I speak of, when I cabled to have it sent for Mr. Walker's use to Galveston. He attempted to go into Tampico on the yacht in a heavy norther, and left it on the outer end of the south jetty, where what is left of its skeleton still remains. He escaped with his life, got a tugboat, and went down to Vera Cruz. He presented evidence which I had sent to him and which he collected in Tampico, to Mr. Carranza, and got the release of our tank steamers; but in the meantime, I must say, in justice to the State Department, that we had never up to that time asked for any aid or assistance or protection or interposition on the part of our Government, but I did then cable to our attorney, Mr. F. R. Kellogg, of Morristown, N. J., asking him to come to Washington and see Secretary Bryan about this matter.

A cable was sent to Mr. Carranza, signed by Mr. Bryan and by the late Sir Cecil Spring-Rice, who was British ambassador at that time to the United States.

As result of that cable the embargo was immediately lifted from our steamers, and as result of Mr. Walker's conversation with Senor Carranza an order was given to settle our account with the Government on the basis of our statement of the difference between us.

This is merely one of a hundred or more incidents which show the checkered career of a company doing business outside of the boundaries of its own country, and is given merely for the reason that it shows the attitude of our company toward the Constitutionalist forces when they were in need of help.

So far as we know, every American corporation doing business in Mexico extended sympathy or aid, or both—and we extended both—to Carranza from the time that President Wilson turned his back on Huerta. We were true to our own Government, and because of that were friendly and of aid to the Carranza Government.

The CHAIRMAN. Is the Carranza Government now in control of the oil fields near Tampico?

Mr. DOHENY. The Carranza Government, I believe, is in control of some of the oil fields. I read in the paper this morning that the Carranza forces had defeated the forces of Pelaez in the Tampico district, and I know that some of the forces are stationed on some of our properties farther south in what we call the Huasteca district. But outside of the immediate camps of the Carranzistas the country is held by a force under a local landowner whose name is Pelaez. He is one of the owners of properties leased to, some years ago, and which are still operated by the Mexican Eagle Co., which was then Lord Cowdray's company, and now is controlled by the "Royal Dutch."

This man Pelaez has an organized force of some numbers, and has held possession of a large portion of the country for the last

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two years. I think his force was organized at about the promulgation of the constitution in 1917 and in opposition to that constitution. He calls himself the only constitutionalist there is in Mexico, because he adheres to the constitution of 1857.

He was in a position to and did prevent us from shipping oil from our southern properties, from Casiano and Cerro Azul. He cut our pipe line three times between Casiano and Cerro Azul. His men threatened to kill our employees if they repaired it again. Not being desirous, however, of killing our employees, he decided on a plan of taking away a part of one of our pumps, which absolutely prevented the passage of the oil beyond that station. He held that until we agreed not to restore the pipe line nor to ship any oil until we paid him a tribute. I do not remember the exact date—Mr. Walker can probably give it—that I first received information that he demanded of us tribute for protection.

Senator BRANDEGEE. Protection against himself?

Mr. DOHENY. Against, anybody.

I received the following radiogram from my steam yacht, my present yacht, *Casiano*. I may say as apology for owning a yacht, that I have owned a yacht, one or another, for seven years, and I have occupied one for just two months—so I am not guilty of being a yachtsman. I am just merely the owner of a yacht, because it was necessary to have one to bring Americans whose lives were threatened, out of Mexico, and we brought the little yacht there, at the time of the invasion of Vera Cruz, and at the time that Nafaratte declared war against the United States, and we brought out 192 on the yacht and an amount totaling 900 on our tank steamers, so that our presence in the harbor has been a source of safety or an immense amount of mental relief to a large number of Americans who took advantage of the offers we made to go to the States when these dangers threatened them. I really think their lives were saved, because I think their continued presence there would have caused a general massacre.

This last yacht that I have and which I am now using as a residence in the harbor of New York, has a wireless apparatus, as did the first one; and I had sent me on the 4th of February, 1916, the following radiogram:

Pelaez's forces again control Huasteca. He has sent us notice as follows: "I have assigned to Huasteca Petroleum Co. the sum of $30,000 every month, which should be paid without any excuse from January 1, 1916. In case the company should refuse to comply with this disposition we will proceed to stop all the work on the exportation of oil and also to advise the employees of the company to leave the different camps." First paragraph of notice states he has given protection to companies in his zone for past 16 months without their paying anything for its support. Therefore each company will have to pay hereafter, and we are taxed thirty thousand or fifteen hundred gold at present. Don't know what Aguila or Penn Mex are taxed. Latter camp looted on first stop. My fear is danger from other side if we pay, as Pelaez is now an outlaw, but Carranza unable or unwilling drive Pelaez out permanently. Also Pelaez now desperate and apt to take vengeance on Americans. Believe advisable shut down all developments for present until we are guaranteed protection from Washington. Have told Flick and Green we will pay, if necessary. Will wire you full text communication from Galveston to-morrow, as believe matter should be taken up with Washington. Matter could be easily disposed of if present Government had not been recognized. Due Galveston early to-morrow. Would like return Sunday as payment due 10th.

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That was sent by wireless from the yacht. It could not be sent from the telegraph office in Mexico; it had to be sent from the yacht by radiogram, because if it were put on the wires there it would immediately have come to the attention of the Carranza authorities and our people would have been imprisoned. This is from our general manager, Mr. Wylie:

Walker and I have discussed your message from yacht. Do not believe we can do other than pay Pelaez. Not in favor of abandoning camp an danxious to get new developments soon as possible. Sending your message to Doheny at Los Angeles and waiting reply.

Another, sent by Paddleford from Galveston. He says:

Arrived ashore 10.30 this morning. Am wiring Doheny full copy Pelaez communication. Fully agree with you and Walker that Pelaez will have to be paid. My only anxiety is that Washington should know facts, so that in case of reprisal by other people we will have our Government back of us. Believe Pelaez will be driven out before March 1, and think Washington should insist that Carranza leave enough forces in the field to keep Pelaez out. Otherwise bringing in big well places us in precarious condition. Getting clearance for yacht to return to-morrow.

That was sent just before we brought in our big well which I told you about this morning, which yielded 250,000 barrels a day.

I call particular attention to this because, so far as our being the advocates and supporters of Pelaez, as charged in the newspapers and by Cabrera, in the Mexican congress, we were insisting that Carranza should keep force enough there so as to keep Pelaez out. And, of course, he could not do it, and has not done it up to date.

This is a communication giving further information on the question of the demand of Pelaez:

Following full text Pelaez communication: "The General this day wrote me as follows: 'To the representative of the Huasteca Petroleum Co. in Cerro Azul: Please go to Cerro Azul Camp to-day and notify the Huasteca Petroleum Co. that in view of the fact that for one year and four months the forces under my orders have given ample protection to the different companies that are located in the zone controlled by my forces without paying any contribution to their support, and that the said companies have been paying big sums to the cause of the Constitutionalist Government, I have thought it best, in order to save the poorer classes of people from suffering any damage that the said companies contribute every month to the support of said forces, I have assigned to the Huasteca Petroleum Co. the sum of 30,000 pesos every month, which should be paid without any excuse, from the 1st of January, 1916.

"'Please notify the company that the amount that is already due should be paid on the 10th of this month, and in future payments should be made the last day of every month. In case the company should refuse to comply with this disposition we will proceed to stop all the work on the exportation of oil and also to advise the employees of the company to leave the different camps.

"'This for your information.

"'Reform, liberty, justice, and law.

"'Cerro Zul, *February 1, 1916.*

"'The colonial chief of the column.

"'(Signed) D. MARTINEZ HERRERA."' PADDLEFORD.

Those messages were always formal. They were not merely "Hands up"; they wrote them in the most formal way, as though they were decrees from a court.

I then wired Wylie to New York, as follows:

Just received yours from Paddleford. Please instruct him to pay the fifteen hundred monthly under duress until further notice or until no duress exists. We can not afford either to shut down or to oppose such demands. If Walker can call attention of minister quietly believe no harm would be done. Otherwise, not advisable under existing circumstances.

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I decided what amount we would pay and did not leave it to him, and I decided on $1,500. Then this telegram to Paddleford by Walker:

Your telegrams regarding Pelaez. Am going Washington to-night to show whole file to Lansing file to Arredondo. Thoroughly appreciate your attitude and believe frank statement our position most beneficial to company from both viewpoints.

Mr. Walker received the following message from Wylie, our general manager:

Doheny wires you he expects leave Los Angeles Wednesday en route Tampico. Wants know if you will meet him Galveston. Says will wire date later.

Then this telegram from Wylie to Walker:

Doheny asks that you communicate with him the result of your various interviews regarding Paddleford's business. Paddleford delighted with your wire.

The telegram that I read before comes after that:

Doheny wires you he expects leave Los Angeles Wednesday en route Tampico. Wants know if you will meet him Galveston. Says will wire date later.

Now, that file contains evidence, such as it is, of the communications which passed between the officials of our company relative to the first demand made by the revolutionist or bandit that they called Gen. Pelaez. I instructed Mr. Walker to go to Washington, see our State Department, make a statement of the situation, go to Arredondo, and tell Mr. Arredondo what the situation was, and get the opinion of both as to what they thought we ought to do, but at the same time tell them that we expected to comply with this of our own election, because we were the best judges of what we ought to do to save our own property.

So I am telling this secondhand now. If you like, later on, you can put Mr. Walker on the stand to corroborate it or change it.

Mr. Walker reported to me that he went to the State Department and saw Mr. Lansing or Mr. Polk, stated the situation to them, and that he was going to put the matter up to Arredondo, and that they advised him that we should use our own best judgment; but they did not advise him that we were doing anything that should subject us to blame or criticism or criminal charge if we were to pay this money as demanded. Mr. Walker says he went to see Arredondo and told Arredondo what the facts were, and that Arredondo at first objected to the payment of it, and that Walker called his attention, as we had agreed he would, to the fact that we were paying to the Carranza Government at that time something like 60,000 pesos per month in taxes, and that that would be cut off by the action of Pelaez if we did not pay Pelaez the least amount he would be willing to take; and Arredondo agreed that it was a good thing for Carranza to have this money paid by us to Pelaez so as not to cut off the revenue he was getting. So that he was in the same boat with us. His revenue would be cut off if our revenue was cut off. And Mr. Walker and Arredondo agreed it was a good thing to do.

So Arredondo, the representative of Carranza, and through him Gen. Carranza, and through him his Government, was responsible, was a party to the payment of the first money to Palaez, the beginning of this tribute; and we have never made a payment since that has not been known; and the fact that we have been obliged to make

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payments since, in increasing sums, has been known to Carranza, who now charges us with supporting rebels by paying these amounts to protect his revenue and protect our oil property.

Senator BRANDEGEE. What do you mean by saying something about never having made a payment since?

Mr. DOHENY. I say we have never made a payment since that was not made with their knowledge.

The CHAIRMAN. Has our State Department been aware of the fact that you have been making payments to Pelaez?

Mr. DOHENY. Yes; not only aware of it, but so far as they could, without giving it in writing, they have approved of it.

Here is a communication which is better evidence of what I am stating than merely my verbal statement. This is a communication sent by Mr. Walker to the State Department November 5, 1917, addressed to the Hon. Frank L. Polk, counselor for the State Department:

MY DEAR MR. POLK: In view of the recent reported statement of Deputy Luis Cabrera in the Mexican Congress, to the effect that the Huasteca Petroleum Co. has been voluntarily furnishing arms and munitions and paying tribute to rebel factions under mere pretense of fear or damage to properties and employees, we believe it essential to send you inclosed detailed memorandum denying the accusation and stating the actual experience of our company from the beginning of disorders in the oil fields, bearing on depredations and payments of forced tribute.

I believe that the files of the State Department contain record of every statement made in the adjoined memorandum.

I have the honor to remain, my dear Mr. Polk,

Your obedient servant,

H. WALKER,
For the Huasteca Petroleum Co.

The memorandum of facts presented by Mr. Walker to Mr. Polk with that letter is as follows:

MEMORANDUM OF FACTS PRESENTED BY THE HUASTECA PETROLEUM CO.

MATTER OF PAYMENT OF TRIBUTES TO MEXICAN FACTIONS EXERCISING DE FACTO CONTROL—FURNISHING OF ARMS AND MUNITIONS.

The Mexico City press reports that on October 17 Deputy Luis Cabrera, in a speech in the Chamber of Deputies, stated that the Huasteca Petroleum Co. (American) and a British petroleum company had been and are voluntarily lending support to armed rebellion in the oil fields, furnishing supplies and munitions. The facts are:

(1) During the past seven years of turbulence in Mexico all industries have been exposed to "forced loans," double taxation and seizure of supplies by armed bands in temporary control of the producing districts.

(2) American industrial concerns have been advised by American representatives, including Messrs. John Lind and John R. Silliman, to pay taxes to whatever party was in de facto armed control of the district in question.

(3) Certain American industries in Mexico like mines, smelters, factories and farms, when subjected to threat of violence for not complying with demands of armed forces for money or supplies, could abandon their properties with loss only of time and temporary production, and did so abandon them.

(4) Producing oil fields in Mexico can not be so abandoned. Wells can not be safely stopped. The oil must be continuously pumped away from the wells, or catastrophes of world-wide import result. It is therefore necessary for oil-producing companies in Mexico to continue pumping at all costs. This has made the oil fields a fruitful source of local levies.

(5) The experience of the Huasteca Petroleum Co. in this regard, of which record exists in the State Department, has been—

Under the de facto President Huerta:

(6) On May 15, 1913, Constitutionalist General Larraga, appearing in Ebano, San Luis Potosi, at the camp of the Mexican Petroleum Co., an allied concern,

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with a force of 200 troops. He arrested the superintendent, took such supplies as he needed, made a forced loan of $5,000, and went away with all the rifles in camp, which rifles the company had secured for "protection" at the request of Hon. Ernesto Madero, Minister of Finance, under President Madero.

(7) In October, 1913, the Huerta Government, through a packed and spurious supreme court, imposed a fine of $400,000 United States currency on the company, and threatened stoppage of operations in case of nonpayment. The company, through its representatives in Mexico, having in mind the policy of financial blockade then followed by the American Government, referred the question of paying this fine to the Hon. John Lind, personal representative of the President of the United States. On Mr. Lind's request to resist payment of this imposed "fine," the Huasteca Petroleum Co. did resist, at the risk of the destruction of its business and at the jeopardy of the liberty of its officials in Mexico, and succeeded in delaying settlement, which was still pending when Huerta was forced to leave Mexico.

(8) In December, 1913, Constitutionalist Gen. Candido Aguilar appeared at the company's producing camp at Casiano, Vera Cruz, with a large armed force, demanding a loan of $10,000. He took supplies and all the rifles the company ever owned, which rifles also had been imported on request of Minister Ernesto Madero. At the same time another of his bands appeared at the Potrero camp of the Eagle Oil Co. and demanded the same sum.

The Eagle Oil Co. (British owned) refused to make the payment. Aguilar's men stopped the company's pumps, causing the oil and gas to break out around the well and under the Buenavista River. The escaping oil and gas have since been ignited by lightning and burned for three months. The well is forever in a dangerous condition by reason of the stopping of the pumps in December, 1913.

The Huasteca Petroleum Co., desirious of cooperating with the American Government in its Mexican policy, referred the Aguilar request to Mr. Lind, then in Tampico, through the American consul. Mr. Lind advised the company to pay the "loan," which it did promptly. Its pumps were not then and never after stopped.

I want to interject this in the middle of this memorandum: That at that time it was a well-known fact that the British assisted in the sale of a large amount of Huerta bonds and they were distinctly favorable to the Huerta Government at that time. Our Government had shown its animosity to Huerta and its desire to support his opponents. So that our action was in line with our own Government and that of the British was in line with the supposed sympathies of the British Government.

(Continuing the reading of the memorandum referred to):

(9) The Larraga and Aguilar visits deprived the companies of their last arms, and subsequently they have been defenseless and at the mercy of whatever armed forces occupy the oil districts.

I want to add that we have never since been allowed to have any arms there, and foolish as it may seem for Americans that can fight, as proven lately, we have gone into that country without arms and allowed ourselves to be abused in every way that makes a red-blooded man feeling like wishing to die.

(Reading further:)

(10) The only arms and cartridges ever owned or imported by the Huasteca or Mexican Petroleum Cos. were delivered to the above-named constitutionalist generals.

DURING THE VILLA REVOLT.

(11) Gen. Aguilar left the oil fields and moved to Tuxpam in May, 1914. Local residents of the district organized under the leadership of Manuel Pelaez in opposition to the Carranza faction. They were classed as Villistas, though they had no sympathy with Villa. During the Villa revolt, August, 1914—

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November, 1915, they levied on all the companies for supplies and one for "Monelava" paper money. As the American Government favored neither side in the contest, the company handled each demand as it came up without troubling the State Department for instructions, but notified the American consulate of everything it did.

So that even before the United States had taken sides between Villa and Carranza we were obliged to pay tribute first to one man and then to the other, and we never knew what their allegiance was until they declared themselves, and then we did not know whether they were telling the truth or not.

Senator BRANDEGEE. Do you mean Villa and Carranza?

Mr. DOHENY. Yes. Villa and Carranza both, and often parties that vowed allegiance to neither one.

(12) When the Eagle Oil Co. failed to deliver "Monelava" money demanded by Pelaez in the spring of 1915 his forces stopped their pumps, renewing the damage done by Aguilar's troops in 1913. The paper money was delivered and pumping resumed.

(13) The stoppage of the "Aguila" Co.'s pumps, in execution of his threat by Peleaz, proves that his menaces are serious, and answers the charge attributed to Mr. Cabrera that the companies paying tribute to Peleaz are only pretending payment under duress.

AFTER THE DE FACTO RECOGNITION OF FIRST CHIEF CARRANZA.

(14) By recognition of the Carranza branch of the revolution of 1915 the American Government gave the oil companies a basis for their conduct toward the factions. Carranza was recognized as in de facto control. Pelaez, in fact, occupied the oil region. In view of the American Government's evident desire to consolidate the Government under Gen. Carranza, the officials of the company agreed to accompany, and did accompany, Gen. Vera and Col. Teran, of the Carranza forces in Tamaulipas, to meet Pelaez in the jungle for the purpose of urging his surrender to the recognized faction. During the parley Pelaez learned that the Carrancista general, Galindo, had arrived in Tuxpan with forces and was threatening his rear. The parley ended, and Pelaez has subsequently been suspicious of conferences.

(15) The Huasteca Petroleum Co. has, notwithstanding, whenever asked to bring Pelaez together with constitutionalist commissioners to talk surrender, cooperated to that end. As an example, in September, 1917, its officials were able to put Deputy Eugenio Mendez, of the Carranza Congress, in touch with Pelaez's chief of operations for a parley.

This was within one month of the time when Deputy Cabrera is reported as charging the companies with voluntarily supporting the Pelaez rebellion.

(16) In the first days of February, 1916, Pelaez made a demand for a regular payment by the producing oil companies, for protection, of what amounted to $1,200 per month, under threat of stopping oil pumps, just as he had stopped the "Aguila" pumps 10 months previously, and sending the American workers out of the country. The demand was communicated to the president of the Huasteca Petroleum Co. on February 8, 1916, by radiogram sent from his yacht, which put out from Tampico for the purpose, this being the only possible means of submitting the demand in time for its approval to prevent destruction.

The officials of the company in Mexico had, and have, strict orders to make no agreement to pay money to armed factions without approval of the president of the company. The president of the company would not approve the payment, in view of the recognition of the Carranza faction, without consulting the American State Department, in spite of the destructive effect of refusal to pay.

Notwithstanding that, I am now accused of having been a supporter of the rebels, although I ran the risk of having our property destroyed by delaying until we could put the matter before the proper authorities here.

(Reading:)

(17) The representatives of the Huasteca Petroleum Co., on February 6, 1916, laid the question before the American State Department and the Mexican

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ambassador designate at Washington. Both authorities advised the company to make the payment to avoid destruction.

This is a declaration in a letter to the State Department, telling our State Department that they authorized us to make this payment. We have since received no letter from the State Department calling attention to this sentence and saying that it was not warranted by any action on their part.

(Reading further:)

The same advice was given at the same time to the Penn.-Mex. Oil Co. The Aguila Oil Co. was, we are informed, advised by the British Government to pay the tribute.

The reason only three companies were mentioned here was because only three companies were moving oil and the only ones that could be forced into payment by the stoppage of pipe lines, etc.

(Reading further:)

All oil-producing companies in the district controlled by Pelaez have since paid the monthly tribute demanded by him. His forces occupy their camps and eat at the restaurants furnished for employees. The companies must keep food and other supplies on hand. These the Pelaez forces take as they need them, just as the Larraga and Aguilar forces did in 1913, and as the Treviño (Carranzista) forces did at Ebano from November, 1914, to May, 1915. This form of contribution to the need or caprice of controlling forces in Mexico can not be prevented except by abandonment of properties which, in the case of oil-producing properties, can not be considered.

(18) No successful military expedition has as yet been sent against Pelaez's movement. His forces have absorbed much of the arms and cartridges and many of the men sent against them. In December, 1916, the movement was credited with having armed 2,900 men with captured rifles and munitions.

(19) In December, 1916, the superintendent of the Huasteca Petroleum Co. made a special trip to the United States to report to the president of the company that Pelaez, having learned that the de facto government's tax receipts from the oil produced in his district had greatly increased, had demanded an increased monthly payment. The State Department was again consulted, and letters were exchanged in the matter, of date December 22, 1916, and January 5, 1917, in which the decision arrived at was set forth. Conditions as to payment of monthly tribute have not subsequently changed.

(20) It is within the knowledge of the counselor of the State Department that in the month of February, 1917, pressure was brought to bear upon the Huasteca Petroleum Co. from important sources to make a shipment or shipments of rifles and cartridges to the Pelaez forces, and that the Huasteca Petroleum Co. would have nothing to do with such procedure without the request and consent of the State Department and opposed the proposal for reasons then explained, principal among which was the evil effect of strengthening any Mexican rebel faction with military supplies.

It did not then, it did not before, it has not subsequently ever delivered arms or munitions of any sort to forces in rebellion against the Carranza Government.

I want to say here that while we have never declared our sympathies in Mexico, there is one thing that we always have declared, and that is that it is dangerous to let arms go into any Mexican's hands at a time when there is likely to be a feeling stirred up against Americans, and we have always opposed sending any arms to any faction in Mexico, so far as our opinion has been asked, and we will always do that so long as an unstable Government exists there.

It did not then, did not before, and has not subsequently ever delivered arms or munitions of any sort to forces in rebellion against the Carranza Government.

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(21) It is the belief of the officials of the Huasteca Petroleum Co. that no other oil-producing concern has furnished arms or munitions from the United States to rebels against the Carranza Government. Such delivery is impossible, first, on account of the American embargo, and, second, on account of the careful search by customs guards of all ships arriving at Tuxpam and Tampico, the only possible ports for such traffic.

It is not to be believed that Mr. Cabrera made the false and damaging statements attributed to him by the Mexican press. If he did in fact make the statements reported he has been grossly misinformed as to the attitude and acts of the Huasteca Petroleum Co. He is reported to have said:

(1) That the company gives arms to rebels.

This is answered by the facts set forth herein in (6), (8), (9), (10), and (20).

(2) That the company gives supplies to the rebels voluntarily, and that its claim of duress is a pretense.

This is answered by the notorious results of refusal to pay tribute to Aguilar and to Pelaez, set forth in (8) and (12).

(3) That the company has given supplies to the Pelaez rebels.

This is true only as set forth herein. The result of refusal of supplies to Pelaez and his troops, while they are predominant in the producing district at this time, when the United States and their allies need petroleum and its products more urgently than ever, would be a more far-reaching calamity than before we were at war.

The Huasteca Petroleum Co., and we believe other American companies, has from the beginning of the disorder in Mexico attempted in every way to cooperate with the policy toward Mexico assumed by the American Government and at the same time to continuously produce and supply the petroleum products so vital for the United States in peace and war. Special conditions of disorder and disputed authority have forced the company to pay tribute in various forms to more than one faction at a time. The work could not be suspended. From the time Gen. Aguilar occupied Casiano, its producing fields and its terminal have been controlled by opposing armed factions. It has had to satisfy the exigencies of both, maintaining a neutrality as perfect as possible, and it has never in any way favored either side except when acts of favoritism were patently desired by the American Government.

Respectfully submitted.

H. WALKER,
For the Huasteca Petroleum Co.

I suppose it is all right to put this in the record, is it not, Mr. Walker?

Mr. WALKER. I presume so, but this is a private communication to the State Department. Has this committee the power to subpœna such documents? This is brought here in response to your subpœna.

The CHAIRMAN. I think we are entitled to it. At any rate, we have got it and we will keep it.

Senator BRANDEGEE. Is this Candido Aguilar the son-in-law of Carranza?

Mr. DOHENY. He is the son-in-law of Carranza; yes.

Senator BRANDEGEE. Is there any doubt about that?

Mr. DOHENY. He is reputed to be and I think he is, although there is always some doubt about most everything.

Senator BRANDEGEE. I did not know whether he was recognized by his father-in-law.

Mr. DOHENY. I think he is.

The CHAIRMAN. He was reported to be on a mission for Carranza about two weeks ago.

Mr. DOHENY. When the property Ebano was occupied for four or five months by contending forces we had one white man, an American, killed on the property, but probably it was because he was with Mexicans and was running away from the attacking force. I

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think the killing was merely an incident of the attack at that time. This man's name was Ely, an American citizen from Iowa, who had children living in Mexico and some children in the United States.

The CHAIRMAN. We are not going into the details of killings and robberies and so forth in Mexico with Mr. Doheny, because we have various witnesses who will testify to those things who were on the ground and will be able to testify from personal knowledge. I do not know, at this time at least, that there is anything else that the committee desires to interrogate you about, Mr. Doheny. Your testimony has certainly been very clear, and enlightening, and very interesting, and, to state my personal opinion, it should be appreciated by the people of the United States, to whom it will go sooner or later. We thank you.

Mr. DOHENY. I expect to be in New York for several weeks to come, and if it is deemed necessary to have me here again for the purpose of clearing any point or adding to the information in any way or correct any misstatements I will be glad to come over at any time at the request of the committee.

The CHAIRMAN. I thank you.

Senator BRANDEGEE. You may have answered what I am about to ask, as I have not been here during all of your testimony, but have you been in the room while the witnesses who testified before you were on the stand?

Mr. DOHENY. Yes, sir.

Senator BRANDEGEE. Did you hear the testimony of the witness, more particularly, I think, of Dr. Inman, who testified about the improved conditions of Mexico now over what they were a few years ago?

Mr. DOHENY. Yes, sir.

Senator BRANDEGEE. Have you given any testimony as to the general conditions in Mexico?

Mr. DOHENY. I think no general testimony; no, sir.

Senator BRANDEGEE. Have you been in any portions of Mexico, except where your oil fields are located?

Mr. DOHENY. At various times I have been at very many places besides those. I commenced to go into Mexico, I think, as I stated in my introductory statement, in 1878.

Senator BRANDEGEE. I mean more recently—in the last three or four years—have you traveled about Mexico?

Mr. DOHENY. In the last three or four years, no; except in the vicinity of our oil fields.

Senator BRANDEGEE. The object of my question was to get your judgment as to whether, and, if so, at what rate, general conditions are improving in Mexico since Gen. Carranza took possession or became President. How rapidly is the country increasing in prosperity or how rapidly are peaceful conditions being resumed and law and order being established?

Mr. DOHENY. I think that is partially answered by testimony I gave this morning, to this effect: That three years ago I went to Mexico and two years ago I went to Mexico, and on both occasions I took with me large parties and went down over our property for a distance of 90 miles south of Tampico and went over our property for a distance of 35 miles. I had a number of ladies with me in the party

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at both times. There did seem to be some fear in the United States that they were going into dangerous places, but when I arrived down there and talked with our own people I judged the situation to be as it turned out to be—safe for them to go where they wished to go.

Senator BRANDEGEE. Where was that?

Mr. DOHENY. That was two years ago.

Senator BRANDEGEE. Not when, but where, did you say it was?

Mr. DOHENY. We wished to go all over our oil fields, and I went there, and I took my wife with me, and several gentlemen with their wives. We found it safe. Very recently I was asked about the possibility of making a trip at this time, or rather I asked about it, and I was told by no means to do it. A Mexican gentleman arrived in New York a few days ago, whose name I will not mention for obvious reasons, but who is a very warm friend of President Carranza, or of President Carranza's government, and I asked him for the purpose of information whether or not a certain party who wished to go to Mexico could go safely by rail. The fact of the matter is that a California company had wired to me to know if I could send down on one of our tank steamers one of their representatives. We are not allowed to carry passengers on our tank steamers, and there is some little trouble in getting the department to give us permission to do it, and at the same time we feel that we will be responsible in some way or other for what they may do when they arrive there.

I wanted to be in a position to tell them that they could send him by rail, and I asked about it, and his answer was, not by way of Monterey and Victoria, but he said, "if you want to send him by Monterey, Saltillo, San Luis Potosi, and around in that way, it will be safe all right, but to go down through the State of Tamaulipas, it is not safe to go. The State of Tamaulipas joins the Rio Grande and the Gulf of Mexico, and the City of Tampico is in that State, and capital is Victoria, and Osuna, the man appointed governor by President Carranza, is governor of the State, and in his State the railroads are reported to be unsafe to travel on at the present time.

Senator BRANDEGEE. Are you now having to pay tribute to anybody for protection at the present time?

Mr. DOHENY. We are paying tribute to Pelaez.

Senator BRANDEGEE. Now, Mr. Doheny?

Mr. DOHENY. Now.

Senator BRANDEGEE. Every month?

Mr. DOHENY. Every month.

Senator BRANDEGEE. At what rate, now?

Mr. DOHENY. I do not know the rate.

The CHAIRMAN. Do you know the total payment to all of the companies?

Mr. DOHENY. The total payment to all of the companies is less than $30,000.

Senator BRANDEGEE. In your judgment, is it within the power of Carranza to disperse these bands which you have to pay tribute to?

Mr. DOHENY. My judgment would be that it is not within his power, or else he would have done it, because it is the one big blot on his claim of dominating Mexico, and the most valuable spot in Mexico, the most valuable spot in all the world is this—under his

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claim of jurisdiction—but it does not prevent these people from levying tribute.

The CHAIRMAN. I will ask you another question or two, Mr. Doheny. Have you had your attention called recently to a statement or an affidavit which must be filed before the Mexican consul in New York City, and other Mexican consular officers, by anyone desiring a passport from that Government in order to go to Tampico?

Mr. DOHENY. Yes, sir; that is a new requirement. Our employees going to Mexico to the oil fields near Tampico have been required to sign the following affidavit. This fact was brought to my attention by the officers of my company this week. The affidavit reads as follows:

The undersigned, under oath, deposes and says that he has been warned that the Tampico oil region is a dangerous district on account of the activities of bandits operating in said region. That deponent, by reason of his business as employee is on his way to that region, and travels at his own risk. That in case some accident might happen to him, hereby he formally renounces the right that he or his heirs might have, to present a claim to the Mexican Government, either directly or through any other channel.

Senator BRANDEGEE. It is a rather significent statement, "his heirs," do you not think?

Mr. DOHENY. It certainly does not encourage a man to seek a job in the oil fields.

The CHAIRMAN. Are you a member of the organization for the protection of American rights in Mexico, as testified to here?

Mr. DOHENY. Yes, sir.

The CHAIRMAN. Some of the witnesses who testified in your hearing seem to have the idea, or desire to convey the idea that that association, with yourself at the head of it, is organized for the purpose of bringing about a war between this country and Mexico. Do you have any such purpose?

Mr. DOHENY. I would like to correct a misstatement in your statement just now, if you will allow me.

The CHAIRMAN. Certainly.

Mr. DOHENY. I am not at the head of it.

The CHAIRMAN. You are a member of it?

Mr. DOHENY. I am a member of it, and I am glad that the opportunity is allowed me to say something about the organization, because I had it in mind to ask permission to do so, but it slipped my mind, among many other things. The fact of the matter is this, that I am chairman of an organization known as the Oil Producers' Association, and we were presenting a united front against what we believe to be the unjust claims of the Mexican Government, and with such effect that other people having properties in Mexico desired to join with us, and they came to my office and suggested the organization of a larger association to be made up of groups, of which we are only one. There are seven groups in the association for the protection of American rights in Mexico, and the exact names of the groups Mr. Boynton can give you, as he is the managing director of the association, employed under a salary to do the work.

The first chairman elected was Mr. Con Kelley, of the Anaconda Copper Co., and I believe I was elected vice chairman at that time. I went to Europe immediately afterwards, as did Mr. Kelley, and who presided or what was done during my absence I do not know,

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as I have not had the time to read the minutes, but I do know that arrangements were made to do effective work, for the truth, the whole truth, and nothing but the truth, to have that put in the papers about Mexico. Of course, there is a good deal of trouble in getting the whole truth. However, I have not seen anything that has been published that has been anything but the truth, so far as it could be determined.

The purpose of this organization is indicated by its name only. It has no other purpose. I will say further that there has never been a word said in any meeting that I have attended which would indicate that the members of it are in favor of intervention, or any member of it. I will state further that as a matter of fact one of the gentlemen whose name is on the committee of the league of free nations, was one of the charter members of the association, and was the principal speaker at a meeting which I attended, and that is Mr. Thomas W. Lamont, of J. Pierpont Morgan & Co. Another party that association are of themselves a sufficient guaranty that they favored Mexico, and who is a representative of the committee of the National Association for the Protection of American Lives in Mexico, is a vice president of the Guaranty Trust Co., which is our treasury. The names of the gentlemen who represent the different groups in that association are of themselves a sufficient guaranty that they are not propagandists in favor of intervention in Mexico, and never will be connected with anything that is not creditable in that or any other line of effort. They are well-known men who would not be connected with anything that was not perfectly right and proper, and the name of the association indicates that it is only for their rights, and, I hope, a very propitiously right movement at this time.

Senator BRANDEGEE. Mr. Lamont is owner of the New York Evening Post, is he not?

Mr. DOHENY. Yes.

Senator BRANDEGEE. And the New York Evening Post does not indicate that he or that paper is in favor of intervention?

Mr. DOHENY. No; we regard the New York Evening Post as leaning over the other way a little bit.

The CHAIRMAN. Mr. Doheny, have you had any experience with other propagandas at any time, if I may use the word without meaning to reflect upon any gentlemen, or with other propagandists who have sought to create the impression that to educate the American people as to the purported views with reference to Mexico, along the line of some of the recent views we have had here; that is, to the effect that Americans were sending out distorted statements of conditions there with some ulterior purposes in mind—I mean, have you come in contact with those efforts for several years past, or at any period during the last six or seven years?

Mr. DOHENY. Yes; but not in any very direct contact.

The CHAIRMAN. Do you know Dr. David Starr Jordan?

Mr. DOHENY. Yes; I have heard of him, and have met him.

The CHAIRMAN. Do you also know Rev. Henry Allen Tupper?

Mr. DOHENY. By name, very well.

The CHAIRMAN. Did you hear of the efforts of either of these gentlemen along this line that I have indicated?

Mr. DOHENY. Well, I am quite familiar with the incidents that happened at El Paso, which were reported in the newspapers, and

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which, among other things, reported David Starr Jordan as having been so desirous of having the sympathy of the United States continued with the Carranza government that he made the charge that Villa was instigated to make his raid into Columbus by American interests, and was furnished money by them, and that they were particeps criminis to the raid. I was very sorry to read the next day that he got out of El Paso without the thing happening which had been threatened.

The CHAIRMAN. Do you happen to know of your own knowledge whether any of the gentlemen whose names have been mentioned here by any of the witnesses, or by myself, have received any funds from Carranza or those associated with him?

Mr. DOHENY. Well, I hoped that that might not be brought up, Mr. Chairman, but I had evidence that one of them received money.

The CHAIRMAN. You were requested by the committee to bring with you such evidence that you had on that.

Mr. DOHENY. Yes, sir.

The CHAIRMAN. Have you brought it?

Mr. DOHENY. Yes, sir.

The CHAIRMAN. Will you produce it?

Mr. DOHENY. I have sent a photograph of it to the State Department at the time it came into my possession, several years ago.

The CHAIRMAN. What is that?

Mr. DOHENY. It is a draft, No. 8, made out in favor of the Mexican treasurer general by the Huastica Petroleum Co. in payment of the sum of $3,466.86, to discharge the bar dues for the months of May and June, 1915. It is signed by our representative in Mexico and paid in New York.

The CHAIRMAN. Were there any indorsements? That draft was paid in New York?

Mr. DOHENY. Yes, sir. It is voucher 1061, contains the cancellation of the stamp signed by our representative in Mexico, and was indorsed by the treasurer general of Mexico, paid to the order of Dr. Henry Allen Tupper, for value received, Vera Cruz, July 31, 1915, and it was receipted—payment was receipted in New York, August 19, 1915, signed, Henry Allen Tupper.

The CHAIRMAN. Was that gold money—that is, United States gold money, currency?

Mr. DOHENY. That was United States Currency; yes, sir.

Senator BRANDEGEE. What was the value received?

Mr. DOHENY. We were never told.

The CHAIRMAN. Do you know whether Dr. Tupper was in El Paso with Dr. Jordan at the time of these occurrences?

Mr. DOHENY. The papers reported that he was; yes, sir.

The CHAIRMAN. Will you leave this draft with the committee, or do you prefer to have it returned?

Mr. DOHENY. I would be perfectly willing to furnish it, either the original draft or a photographic copy of the draft. Have always felt as though we ought to retain the original draft, because it may be very significant, and it might be possible that we will be called upon to prove its existence, in which case a photograph might not be satisfactory.

The CHAIRMAN. A photographic copy will be satisfactory to the committee.

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I will state, Mr. Doheny, that the purpose of the committee, or at least of myself, in requesting you to bring this paper with you, as a witness, was that there were various Americans who were very active—so they stated themselves, and as was stated to the committee members—in securing recognition of Carranza by this Government, and among those gentlemen were Mr. Tupper, and the names of others are well known to myself, at any rate, and there may be some further evidence brought out along that same line; and knowing that uncontrovertible evidence, at least, existed that some of our philanthorpists had received accommodation of some character from the Carranza government at about the time of his recognition, I desired to have it in evidence now.

Mr. DOHENY. We sent a photographic copy of this draft to the State Department at the time we received that from the bank, so that the State Department has been informed of its existence.

The CHAIRMAN. As the Foreign Relations Committee have an important hearing to-morrow, and have requested a full attendance, at least, for the morning session of all its members. Of course, Senator Brandegee and myself are members of the committee, and we being compelled to attend the meeting of the committee to-morrow, will not have a session of this hearing, but we will endeavor to have a session to-morrow afternoon, and invite certain other witnesses, if it is possible for us to do so, as we have their addresses here and can reach them by telephone.

Mr. DOHENY. I would like to say this, Mr. Chairman. At the time that we brought in that great well in Mexico, that has been described in the testimony here, we had on the ground a photographer whom we had been employing for a couple of years to take pictures of various portions of the camp, and he was there the day it was drilled in, and he has taken moving pictures, showing Tampico Harbor and the vicinity of the canal where cost of the murders took place, and showing the character of the country, and this wonderful well, the most wonderful in the world, and the picture is just as clear as though you were at the well, except the smelling of the oil, and I showed it to the Geographical Society about three years ago, and if this committee should arrive at the conclusion that it would be valuable in any way to have that shown here at some place in Washington, I have the films in New York. I showed them in London, and I would be very glad to bring them over and show them to the Foreign Relations Committee of the House and Senate, or any others who might desire to see them. It may be that it would be desirable to have them show the character of the country, and the work being done by the Americans on this land, which seems to be a storm center.

The CHAIRMAN. I am sure that it would be very interesting, and I will take up the matter before the full committee.

Mr. DOHENY. I would be very glad to bring it over next week or the week after.

Senator BRANDEGEE. That well that you described, does that well keep up?

Mr. DOHENY. I will say that we laid two pipe lines before we drilled the well, and the well furnishes all the oil that we can carry in the two pipe lines. It does that besides the——

Senator BRANDEGEE. There is restraint there also?

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Mr. DOHENY. Yes, sir.

Senator BRANDEGEE. Did you not say that it was 250,000 barrels capacity?

Dr. DOHENY. Two hundred and sixty-one thousand barrels, and 10 per cent overflow, wasted, in 24 hours, and is now 45,000 or 50,000 barrels, with 900 pounds back pressure.

Senator BRANDEGEE. How many years has that been flowing?

Mr. DOHENY. It will be three years next February.

The CHAIRMAN. I desire to make the further statement in connection with those remarks I made a few moments ago, as to the purpose of securing this last testimony: I do not want it to be understood, as chairman of this committee or personally, in intimating that there is anything wrong in any American securing pay for his services, if they did secure such remuneration, in attempting in any way to secure the recognition of Mr. Carranza; but in view of the fact that various charges have been made as to selfish interests along the border and in this country being desirous of bringing trouble with Mexico, and bringing raids on the other side of the country, some of the gentlemen who made such statements are posing as friends of the Mexican people, I think this further testimony to show that they may have had their expenses paid and received remuneration for such friendship—I think that it is the duty of the committee to show it, and if we can get the evidence we will show it.

Mr. Secretary, has there been any return on the subpœna, or have we heard anything from Mr. de Bekker?

The SECRETARY. No, Mr. Chairman; the address given us at the Bush Terminal investigation shows that no such person is known at the Bush Terminal, and there has been an attempt to locate him at 130 West Forty-second Street, the address given by Mr. McDonald, and the Sergeant at Arms notified me at noon that he had no returns from there.

(Thereupon, at 5:20 o'clock p. m., the hearing was adjourned, subject to the call of the chairman.)

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INVESTIGATION OF MEXICAN AFFAIRS.

FRIDAY, SEPTEMBER 12, 1919.

UNITED STATES SENATE,
SUBCOMMITTEE OF THE COMMITTEE
ON FOREIGN RELATIONS,
Washington, D. C.

The subcommittee met at 3 o'clock p. m., pursuant to adjournment, in Room 422, Senate Office Building, Senator Albert B. Fall, presiding.

Present: Senators Fall (chairman) and Brandegee.

TESTIMONY OF MR. LEVI SMITH.

(The witness was duly sworn by the chairman.)

The CHAIRMAN. State your name.

Mr. SMITH. Levi Smith.

The CHAIRMAN. Your residence.

Mr. SMITH. Comanche, Texas.

The CHAIRMAN. Your occupation.

Mr. SMITH. Oil producer.

The CHAIRMAN. Where are you now engaged in the business of producing oil?

Mr. SMITH. In Texas and Louisiana.

The CHAIRMAN. Were you at any time engaged in the production of oil in the Republic of Mexico?

Mr. SMITH. Yes, sir.

The CHAIRMAN. When?

Mr. SMITH. From early in 1914 until the end of 1918.

The CHAIRMAN. 1914 to 1918?

Mr. SMITH. Yes, sir, inclusive.

The CHAIRMAN. Mr. Smith, have you read or heard read any portion of the testimony given here, in the statement of Mr. E. L. Doheny before this committee in this hearing?

Mr. SMITH. I have a portion of it. I hurriedly read a portion and heard a portion of it read.

The CHAIRMAN. Commencing on page 899 of the transcript of the hearing there was read into the record by Mr. Doheny yesterday a memorandum of facts presented by Mr. Walker to Mr. Polk, with Mr. Walker's letter of transmittal to Mr. Polk, under date of November 5, 1917. Have you read that memorandum of facts?

Mr. SMITH. Yes, sir; I read a portion of it hurriedly and heard the remainder read.

The CHAIRMAN. Of your own knowledge, do you know anything of the truth of the facts contained in that memorandum?

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Mr. SMITH. So far as I am able to recall, so far as I remember, the things set out in that statement are true, every statement is true.

The CHAIRMAN. You are familiar with the facts as stated, as having come under your knowledge?

Mr. SMITH. Yes, sir.

The CHAIRMAN. In what capacity were you acting, that you happened to have information as to these facts?

Mr. SMITH. I was here in the interest of the Penn-Mex Fuel Co., of which I was manager at the time.

The CHAIRMAN. Where was the Penn-Mex Fuel Co. operating?

Mr. SMITH. In the State of Vera Cruz, Mexico.

The CHAIRMAN. In what particular district?

Mr. SMITH. Largely in the Panuca district.

The CHAIRMAN. Near Tampico?

Mr. SMITH. About 15 or 20 miles south of Tampico. They were also operating somewhat in the Tuxpam district, but not so extensively as in the lower district.

The CHAIRMAN. Did the Penn-Mex Co. contribute anything to anyone other than the Government at that time recogniged by the United States while you were with that company?

Mr. SMITH. Yes, sir.

The CHAIRMAN. To whom did they first make contributions, if you know?

Mr. SMITH. The first and only contribution of any consequence was made to Gen. Pelaez.

The CHAIRMAN. When did you sever your connection with the Penn-Mex Co. and its operations in Mexico?

Mr. SMITH. January 1 of this year.

The CHAIRMAN. Up to that time do you know whether these contributions continued monthly?

Mr. SMITH. You mean subsequent to that time?

The CHAIRMAN. Subsequent to the first payment. About when was the first payment made?

Mr. SMITH. These statements of mine are more or less general, because I have no memoranda with me.

The CHAIRMAN. Yes; I understand.

Mr. SMITH. As I recall, my first payment was made in April of 1917.

The CHAIRMAN. Were the payments more or less continuous?

Mr. SMITH. They were made monthly.

The CHAIRMAN. Up until the time you left there?

Mr. SMITH. Yes, sir.

The CHAIRMAN. Do you have any reason to believe they have been discontinued up to this time?

Mr. SMITH. I could not state positively, but my impression is they are still being made.

The CHAIRMAN. Are they being made under the conditions and circumstances as related in this statement of Mr. Walker's to the State Department?

Mr. SMITH. Yes, sir.

The CHAIRMAN. Were you in Washington at the time that Mr. Walker went to the department?

Mr. SMITH. I was. I was with Mr. Walker.

The CHAIRMAN. In the department?

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Mr. SMITH. Yes, sir.

The CHAIRMAN. Were you present at the conversation between Mr. Walker and Mr. Polk?

Mr. SMITH. I was.

The CHAIRMAN. Did you take part in that conversation?

Mr. SMITH. Yes, sir.

The CHAIRMAN. It was concerning the question of your making your payments to Pelaez, as per his demands?

Mr. SMITH. Yes, sir.

The CHAIRMAN. And what was the understanding with Mr. Polk?

Mr. SMITH. If you will pardon me, Senator, I will give you the exact language, as near as I can.

The CHAIRMAN. If you will.

Mr. SMITH. I said to Mr. Polk, "I should like to know the attitude of the department toward the various companies and ours in particular, should we be compelled to make this payment, as it now looks like we will have to do?" His exact language, as I recall, was, "You appear to me very much like a man around the corner being held up and no policeman in sight." He said, however, he should like to discuss the matter with Mr. Lansing before he went into it further. He spent a half an hour in Mr. Lansing's office and came back and said Mr. Lansing agreed with his idea of it. I pressed him for a further statement, and he finally said to me, "You are helpless. You can not do otherwise than pay it." I asked him if he cared to put that in writing, and he refused to do so.

The CHAIRMAN. Did you know Mr. Arredondo, at that time the representative of the Carranza government in this city?

Mr. SMITH. Yes, sir.

The CHAIRMAN. Did you meet him at or about the time you had this conversation with Mr. Polk?

Mr. SMITH. I met him in New York directly after that.

The CHAIRMAN. Did you have any conversation with Arredondo concerning the payment to Pelaez?

Mr. SMITH. I did.

The CHAIRMAN. What was the effect of that conversation?

Mr. SMITH. He first said he would report the matter to his Government and ask that they give us protection. I replied to him that unless we were given the necessary protection we would be compelled to pay it. After we had discussed the matter in its various phases he agreed that it was the safest thing to do.

The CHAIRMAN. Were the payments continued to be made to Pelaez under those circumstances?

Mr. SMITH. Yes, sir.

The CHAIRMAN. Did you ever have any protest from the Carranza Government later against making the payments to Pelaez?

Mr. SMITH. No, sir; not directly from the Carranza Government. I might say prior to that time I had a very strenuous protest from Gen. Alaman, when Pelaez was pressing for the payment, and Pelaez had up the matter with me in this manner: "If you don't pay, I will raid your camp and destroy your property." Alaman said two days later: "If you do pay, I will shoot you."

The CHAIRMAN. So Pelaez threatened to destroy your property if you did not pay?

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Mr. SMITH. Yes, sir.

The CHAIRMAN. And Alaman was a Carranza general?

Mr. SMITH. Yes, sir.

The CHAIRMAN. Supposed to be?

Mr. SMITH. Yes, sir.

The CHAIRMAN. And he promised to shoot you if you did pay?

Mr. SMITH. Yes, sir.

The CHAIRMAN. But subsequent to your talk with Arredondo did you have any protest from the Carranza Government or officials?

Mr. SMITH. I don't recall that I ever had.

The CHAIRMAN. Do you know anything about the activities of Americans in Mexico during the years that you were operating there—that is, from 1914 to 1918—with reference to the recognition of one faction or the other, or the nonrecognition of one faction or the other?

Mr. SMITH. No, sir; I can't say that I have any knowledge of any activities on the part of any Americans. I paid very little attention to matters of that sort. All of my men had specific instructions to be absolutely neutral. Aside from that, I know very little of what was going on.

The CHAIRMAN. Do you know Rev. Henry Allen Tupper?

Mr. SMITH. Yes, sir.

The CHAIRMAN. Where did you become acquainted with him?

Mr. SMITH. I believe I met Dr. Tupper first on a trip from Vera Cruz to New Orleans.

The CHAIRMAN. About when was that?

Mr. SMITH. That was either in 1914 or 1915.

The CHAIRMAN. Do you know what he was doing at that time?

Mr. SMITH. No, sir; I do not know what he was doing.

The CHAIRMAN. Were you going to or coming from Mexico?

Mr. SMITH. I was coming from Mexico at that time.

The CHAIRMAN. Do you know where Dr. Tupper was coming from?

Mr. SMITH. He was coming from Vera Cruz. We had taken ship at Vera Cruz?

The CHAIRMAN. Who was occupying Vera Cruz at that time, Huerta or Madero?

Mr. SMITH. No, sir; that was after the Americans had evacuated Vera Cruz and the Carranza forces were occupying the city.

The CHAIRMAN. You do not know what Dr. Tupper's business was at that time?

Mr. SMITH. No, sir; I could not say positively what his business was. I know what he was generally supposed to be doing, but that is only a matter of hearsay.

The CHAIRMAN. You did not have any talk with him about what he was doing?

Mr. SMITH. Not directly about his personal affairs. I discussed Mexican matters with him frequently.

The CHAIRMAN. Did you ever meet Mr. R. H. Cole in Mexico?

Mr. SMITH. I don't recall him.

The CHAIRMAN. Did you meet Mr. John Lind in Mexico?

Mr. SMITH. No, sir; I arrived there directly after Mr. Lind evacuated Vera Cruz.

The CHAIRMAN. Do you know Mr. William Bayard Hale?

Mr. SMITH. No, sir.

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The CHAIRMAN. You did not meet him?

Mr. SMITH. No, sir.

The CHAIRMAN. Did you ever meet Mr. George Carruthers?

Mr. SMITH. No, sir.

The CHAIRMAN. When you went to Tampico and became identified with the oil industry there, had the Madero government been overthrown at that time?

Mr. SMITH. It had been. Huerta was in power at that time.

The CHAIRMAN. Huerta was in power at that time?

Mr. SMITH. Yes, sir. I should like to correct one statement I made. I said that Mr. Lind left Vera Cruz directly upon our arrival. He was in Vera Cruz when I was there the first time, but I did not meet him.

The CHAIRMAN. What was the general condition in and around Tampico and northern Mexico, as you knew it at the time you went there in 1914?

Mr. SMITH. Well, it was what you might describe as very chaotic. The Carranza forces were besieging Tampico directly after I arrived there in the early part of April, 1914, and there was a continuous battle from Monday until the following Sunday, as I recall. Conditions generally were very much disturbed.

The CHAIRMAN. Was that before the American occupation of Vera Cruz?

Mr. SMITH. Yes, sir.

The CHAIRMAN. Where were you when Vera Cruz was occupied by the Americans?

Mr. SMITH. I was in the United States. I left Tampico three days before the occupation of Vera Cruz, as I recall.

The CHAIRMAN. Do you know anything about the attitude of the Carranza officials toward Americans or American companies?

Mr. SMITH. In what particular, Senator?

The CHAIRMAN. Well, in their dealings with the American companies, particularly the oil companies with which you were connected. Were they friendly or antagonistic?

Mr. SMITH. Well, they were not especially friendly. There were times when they were more or less antagonistic, but I regarded that more as personal than otherwise.

The CHAIRMAN. Do you know Gen. Nafarette?

Mr. SMITH. Yes, sir.

The CHAIRMAN. Was he in Tampico at any time when you were there?

Mr. SMITH. Yes, sir.

The CHAIRMAN. What was his attitude, generally?

Mr. SMITH. His attitude was generally rather antagonistic.

The CHAIRMAN. He was the Carranza representative there for quite a while?

Mr. SMITH. Yes, sir.

The CHAIRMAN. Were you there in June, 1916?

Mr. SMITH. I was there in the early part of June, 1916. I came to the United States late in June, 1916.

The CHAIRMAN. Were you there when the Americans were ordered out of Tampico in 1916?

Mr. SMITH. No, sir. I arrived in the United States some four or five days before that happened.

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The CHAIRMAN. What were the conditions when you left there, as to the safety of Americans?

Mr. SMITH. Well, we regarded the situation as rather serious.

The CHAIRMAN. Why? What was the occasion for that?

Mr. SMITH. That was directly after the Villa raid at Columbus. The United States troops had entered Mexico, and it was the opinion, both of the Mexicans and Americans, that we were just on the verge of war.

The CHAIRMAN. Do you know anything about any orders or directions issued at that time by the American consul to American citizens of Tampico with reference to their leaving the town?

Mr. SMITH. I know nothing of the consular instructions other than hear-say, because I was not there at that time. I never even saw a copy of it at that time.

The CHAIRMAN. Did you see it later?

Mr. SMITH. Yes, sir.

The CHAIRMAN. Examine these papers which I hand you and state whether those are duplicates of what you saw.

Mr. SMITH. I should say those are verbatim copies.

The CHAIRMAN. I desire to file this and have it placed in the printed record.

(The document referred to is here copied in full as follows:)

Meeting at 10 o'clock.

I. Each man take his district.

II. Tell Americans in district:

(1) Pack in handbags everything absolutely necessary for trip. Do not lock same. Leave all arms at home.

(2) Pack in one trunk for each family articles desirable for trip. Leave same unlocked near entrance inside of house or flat. Pack no arms.

(3) Leave house promptly at 6 o'clock with handbags (no carcadores), not hurrying and not losing time, and come to Bergan Building, Victoria Hotel, or Colonial Club.

(4) Come by route not leading through plaza or along any street facing plaza.

(5) May bring a limited amount of bed clothing, and not over 10 pounds of feed for family.

(6) Advise people they will not have time to return to homes; that they will go to boats later in harbor and that transport will not enter harbor.

(7) Advise people tell all their American neighbors, and report any interference to fifth floor Bergen Building.

(8) Advise people American consul has ordered all Americans to leave immediately, and state that you think no protection will be accorded those who remain. This includes men, women and children.

"AMERICAN CONSULAR SERVICE,
"*Tampico, Mexico, June 24, 1916.*

"*To whom it may concern:*

"American citizens are hereby urged to leave for the United States without any further delay; and to this end they should heed the suggestions to be made by the bearer hereof.

"CLAUDE I. DAWSON, American Consul."

III. Three men to patrol Southern and Imperial corners and Jefatura, beginning at 6 o'clock, and report frequently to consul. (Bell, Mines, Moore.)

IV. Two men at near end of bridge, taking position at 6 o'clock. (Powers, J., Dillman.)

V. Three men on wharf to help boats and take charge of baggage if officials interfere. These men to be at wharf at 6 o'clock and report to Navy officer on tanker when latter arrives. (Sutton, Chapman, Martin.)

VI. Consul to be on top floor of Bergen Building and Newell and Buckley to be with consul.

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VII. Entire committee to report, where not otherwise occupied, at fifth floor of Bergen Building at 7 o'clock.

VIII. Two men to stay at consulate, commencing at 6 o'clock and report to consul at Bergen Building. (Gamble.)

IX. Dr. Garnett will attend to hospital.

X. Kinchelee in charge of Tampico Co. Building; Moats in charge of Colonial Club, and Jones in charge of Bergen Building.

XI Not to leave buildings for wharf until ordered by these three men, and these three men must receive instructions, directly or indirectly, from consul.

The CHAIRMAN. Mr. Smith, during your residence, or during the time you were in and near Tampico, what were the general conditions with reference to peace, quiet, order, law, safety of life, etc.?

Mr. SMITH. There was hardly a time while I was there that it was not more or less dangerous to get very far away from the centers of population, and particularly so in the last two years.

The CHAIRMAN. In the last two years?

Mr. SMITH. Yes, sir. There was far more danger connected with travel through the country districts than there had been prior to that.

Senator BRANDEGEE. What two years were those?

Mr. SMITH. 1917 and 1918.

The CHAIRMAN. Do you remember when Carranza undertook to and did send an expedition into the oil fields in 1918?

Mr. SMITH. Yes, sir.

The CHAIRMAN. What was the purpose of that expedition, if you know?

Mr. SMITH. Well, ostensibly the purpose was to drive Pelaez out and gain control of the producing area, of which Pelaez had and had had control for some little time.

The CHAIRMAN. What had been the conditions existing in the oil fields prior to this expedition of Carranza's, as compared with the conditions later, as to safety?

Mr. SMITH. Well, during and subsequent to the time of this expedition things were in much more of a turmoil than they had been prior to that.

The CHAIRMAN. Do you know of any murders of Americans occurring at that time, after that expedition?

Mr. SMITH. Well, there have been a number of killings since that time or during that time. I was not a witness to any of them. I know of them in a general way. For instance, the paymaster of the Texas Co. was killed a few miles out of Tampico when he was being held up for the pay roll. That, as I recall, was early in 1918. I am not positive as to the date.

The CHAIRMAN. Were there any murders coming within your knowledge, what you regarded as accurate information, prior to the time of this expedition?

Mr. SMITH. I do not recall any specific instances. Now, do I understand, Senator, that this applies to foreigners?

The CHAIRMAN. Yes; foreigners.

Mr. SMITH. I do not recall any specific instances of any killings in our district prior to that time. I might add, in regard to the killings during and subsequent to that time, various employees of the Gold Co. were killed at Tampico during holdups of the camp, various incidents of that sort that I would not attempt to supply now from memory.

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The CHAIRMAN. That was prior to the sending of the Carranza expedition?

Mr. SMITH. No; that was subsequent to that.

The CHAIRMAN. You do not recall any at all prior to that?

Mr. SMITH. No, sir; not from memory. I would not trust my memory that far.

The CHAIRMAN. Did you have any information as to who it was that killed the paymaster you referred to?

Mr. SMITH. No, sir. It was given out that it was bandits.

The CHAIRMAN. You say "it was given out that it was bandits?"

Mr. SMITH. Yes, sir.

The CHAIRMAN. Did you make any investigation, or did you know of any investigation being made?

Mr. SMITH. No, sir.

The CHAIRMAN. Did you know of any investigation being carried on by any Americans?

Mr. SMITH. No; I did not.

The CHAIRMAN. Was the story as given out generally accepted as true by Americans there?

Mr. SMITH. Well, it was generally supposed by Americans, openly talked, that it was Carrancista soldiers, but we had no evidence and I have no evidence of that.

The CHAIRMAN. Mr. Smith, are there any matters within your knowledge, occuring at Tampico or in that vicinity in Mexico, during the time that you were there, which you do not care to testify to in open hearing for any reason?

Mr. SMITH. Yes, sir; there are some matters I would rather tell in executive session.

The CHAIRMAN. What is your reason for preferring to tell some matters in executive session?

Mr. SMITH. I have lived in Mexico for the past five years, and more than likely will have to live there again, and any one telling all the facts, possibly, coming under his observation in that time, and going back to Mexico, it might make it more or less uncomfortable.

The CHAIRMAN. Then you have some facts within your knowledge as to conditions there, that you think might be of interest to this investigation, but you prefer to give them in executive session?

Mr. SMITH. Yes, sir.

The CHAIRMAN. That is all I want to ask you at this time, unless Senator Brandegee has some questions.

Senator BRANDEGEE. What oil company did you say you represented?

Mr. SMITH. The Penn-Mex Fuel Co.

Senator BRANDEGEE. Was that a large concern?

Mr. SMITH. Yes, sir; one of the three largest producing in Mexico.

Senator BRANDEGEE. Did you state what particular position you held?

Mr. SMITH. I was general manager in Mexico; had charge of all the work.

Senator BRANDEGEE. How far were your oil fields from those of Mr. Doheny?

Mr. SMITH. Nearly all of Mr. Doheny's productions were in the Cerro Azul district, possibly 30 miles.

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Senator BRANDEGEE. How large an area has what is known as the oil country there?

Mr. SMITH. The oil producing area?

Senator BRANDEGEE. Yes.

Mr. SMITH. It is nearly or quite 100 miles north and south, and of variable width; narrow, however.

Senator BRANDEGEE. About what is the average width?

Mr. SMITH. You understand, there are just little sections here and there.

Senator BRANDEGEE. Yes; I know.

Mr. SMITH. I would say the average is 2 miles.

Senator BRANDEGEE. About 100 miles long and 2 miles wide?

Mr. SMITH. Yes, sir.

Senator BRANDEGEE. Two hundred square miles?

Mr. SMITH. Yes, sir.

Senator BRANDEGEE. How many oil wells are there in that territory that you refer to? Not exactly, but just give me an idea.

Mr. SMITH. At the present time?

Senator BRANDEGEE. Yes; about.

Mr. SMITH. Well, roughly speaking, I should say there are a hundred producing wells, outside of the Panuco district. There has been a good deal of building in that district.

Senator BRANDEGEE. Have you any idea what the population is that works on these oil wells or in connection with that industry in that area?

Mr. SMITH. No, sir; that would only be the wildest sort of a guess.

Senator BRANDEGEE. How many does your concern employ?

Mr. SMITH. We employ from 50 to 90 foreigners, mostly Americans.

Senator BRANDEGEE. Is there any particular place where your wells are located that has a particular name?

Mr. SMITH. Yes, sir; the bulk of our production is at Hacienda Alamo, 52 kilometers from the Gulf Coast on the Panuco River.

Senator BRANDEGEE. How far from Tampico?

Mr. SMITH. About 10 miles from Tampico.

Senator BRANDEGEE. What I am trying to get at is this: How large a force would it be necessary for Carranza to maintain there, if he wanted to protect you and was able to, in order to give you reasonable security against these disorders and bandit attacks?

Mr. SMITH. Well, it would not require a very large force to protect the companies at the various camps, no very large force. As to the probable number of troops necessary to maintain order in the district, Palaez was popularly supposed to have about 1,000 men under arms, possibly two or three times as many subject to call, and he pretty generally maintained order in that particular district with that 1,000 men under arms, provided he had a thousand or more.

Senator BRANDEGEE. I have no doubt he maintained order when he was paid for it. What I am wondering is, Why is it that Carranza can not dislodge him, if he has only a thousand men?

Mr. SMITH. He never seems to have made a serious effort to do it. That is the only reason I can give you.

Senator BRANDEGEE. In speaking of the attitude of some of the Carranza officials or the Carranza governors as not being particularly friendly or cordial toward the oil companies, is there any distinction

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between his attitude and that of his officials toward American companies or the companies of any other nation?

Mr. SMITH. So far as I was able to observe, so far as I did observe, there was comparatively little difference. The British people sometimes suffered as much as the Americans, and they were the largest interests there besides the American interests. The Holland people were interested quite largely, but I never came directly in contact with them. I think there was comparatively little difference in the treatment.

Senator BRANDEGEE. Do these killings or disorders occur near the wells or near where your employees reside, or are they out in the country?

Mr. SMITH. Oh, no; they are as a rule in or near some of the camps, in connection with paymasters, in particular, coming to and from the camps.

Senator BRANDEGEE. Is your train service safe between Tampico and the oil fields?

Mr. SMITH. We have no train service. There is no railroad except some small private railroads that the companies own merely for the transportation of freight from the head of navigation to their camps.

Senator BRANDEGEE. I was under the impression that Mr. Doheny testified yesterday that there were railroads. He testified about constructing a railroad through the jungle.

Mr. SMITH. That was his private road, running from the head of navigation down to his wells. We had the same sort of railroad from the head of navigation to Tuxpam.

The CHAIRMAN. There is a road from Monterey down to Tampico that Mr. Doheny testified was out of commission.

Mr. SMITH. Tampico was the nearest railroad.

Senator BRANDEGEE. That is all I have to ask.

The CHAIRMAN. Do you anticipate that if Carranza had driven Pelaez out your oil-well production would have been protected any better than it has been with Pelaez there?

Mr. SMITH. No, sir.

Senator BRANDEGEE. Why not? Would you not feel any safer under Carranza's soldiers than you would under Pelaez's soldiers?

Mr. SMITH. The experience of the average worker in the field was that he felt safer with Pelaez's troops in camp than with Carranza's troops. The Pelaez troops, I will say, maintain better order in that district than the Carranza troops did when they were occupying any of the camps.

Senator BRANDEGEE. Have you any distrust of the Carranza troops, yourself?

Mr. SMITH. Yes, sir.

Senator BRANDEGEE. Are they not well disciplined?

Mr. SMITH. As a rule, not.

Senator BRANDEGEE. Have you not confidence in their officers?

Mr. SMITH. Generally speaking, no.

Senator BRANDEGEE. What is the trouble with them? Do you think they are bad characters?

Mr. SMITH. If you do not mind, Senator, I would rather go into these matters in executive session.

Senator BRANDEGEE. Very good. It would be better, Mr. Chairman, to hear the other witnesses before we do that.

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The CHAIRMAN. Yes. There is one other witness this afternoon who wanted to appear.

After the hearing closes this afternoon the committee will recess until half past 10 o'clock Monday morning, and will hope to have hearings then, in the mornings, possibly until 1 o'clock, or half past 1 o'clock, daily during next week. We will not be able to hold afternoon hearings, as the presence of Senator Brandegee and myself will be necessary on the floor of the Senate after 2 o'clock, at any rate. The committee will have no session to-morrow.

Mr. Smith, we will excuse you temporarily and go into executive session later.

The committee desires to examine Dr. Gates.

TESTIMONY OF DR. WILLIAM GATES.

(The witness was duly sworn by the chairman.)

The CHAIRMAN. Dr. Gates, it will not be the purpose of the committee this afternoon to go as fully into matters with you as we will desire to do later. You have simply requested to attend at this session upon one point, particularly, which has been brought out in evidence.

(Addressing Mr. Smith:) I will state for the record, publicly, that you are here under subpoena, Mr. Smith. For your protection, I think that should be done.

Will you state your full name, Dr. Gates?

Dr. GATES. William Gates.

The CHAIRMAN. What is your residence?

Dr. GATES. I am living in Baltimore, although my home is in California.

The CHAIRMAN. What is your occupation?

Dr. GATES. Retired.

The CHAIRMAN. What have you been engaged in for recreation or otherwise within the last two or three years? What have you been doing?

Dr. GATES. A little over two years ago I made a trip into Mexico, which occupied nearly a year. Since returning to this country I have been digesting the printed and other matter that I brought out of Mexico and have written a series of articles—one for the North American Review and five for the World's Work upon the results of my trip.

The CHAIRMAN. Dr. Gates, did you testify before the Committee on Rules of the House of Representatives in this city recently?

Dr. GATES. I did.

The CHAIRMAN. Upon Mexican matters generally?

Dr. GATES. Yes, sir.

The CHAIRMAN. Did you later read an article in the New York Evening Post of August 5, 1919, copyrighted, and under the name of David Lawrence, referring to the testimony which you gave before that committee?

Dr. GATES. I did.

The CHAIRMAN. Has your attention been called to the testimony of any of the witnesses who have recently been heard by this committee?

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Dr. GATES. I have looked over the testimony of Dr. McDonald and Dr. Winton. I was present during a part of Dr. Inman's testimony.

The CHAIRMAN. In the testimony of Mr. McDonald before this committee, wherein he was being questioned as to certain propaganda material being sent out under his direction by the League of Free Nations, he was questioned concerning a reprint of the David Lawrence article from the New York Evening Post of August 5, 1919, and he identified this document which I have now in my hands as a reprint of the article and as one of the propaganda publications which he was sending out.

Dr. GATES. May I say that that is not the complete David Lawrence article? The Evening Post cut out a portion of the last paragraph. It was printed in full in the Baltimore Evening News, but the Post cut a portion of Lawrence's statements before printing.

The CHAIRMAN. Do you desire now to complete this article by reading into the record or furnishing the committee with that portion which was cut out, or do you think that is material?

Dr. GATES. I have not it with me, but I can do so. It was interesting what was cut out.

The CHAIRMAN. That may be done, then, later, because you will be called upon at a later date to testify.

Dr. GATES. I think that portion was something that the Post probably thought Mr. Lawrence was implicating other people than myself in and cut it out for that reason. That is a surmise on my part.

The CHAIRMAN. For the purpose of this present investigation, for the investigation to-day at any rate, the propaganda article to which you have had your attention called will be sufficient.

I notice in this Lawrence article sent out as propaganda, Mr. Lawrence states that—

> Documents have come to light showing that Mr. Gates, whose home is in Baltimore, but who spent many years in Mexico, has been actively at work against the Mexican Government, and that he boasted of alleged aid given him by Newton L. Baker, Secretary of War, and of interest displayed by the late Col. Roosevelt in various Mexican elements in this country.

He states further:

> Investigation at the War Department reveales that Mr. Gates was listened to as any American traveler who comes from the southern Republic with information, but that at no time was any of his data presented by the Secretary, either to President Wilson or the Department of State. On every occasion the Secretary told Mr. Gates, with whom he had previously been personally acquainted, that matters affecting the political relations of the United States and Mexico must be presented directly to the Department of State or the White House. Mr. Gates tried very hard to get the sympathetic ear of the War and State Departments in his efforts to bring about a union of factions which would overthrow the Carranza Government. Failing in this, he indicated that he would put the whole matter before the House Committee on Rules, which is now investigating Mexican conditions and which is, of course, dominated by the Republicans, who, just now, are endeavoring to show that the Democratic administration did not handle the Mexican problem at all well.

He goes on to say that Mr. Gates—

> has testified at length and his testimony has caused the Mexican Government, which is duly recognized by the United States, to wonder why an American congressional committee will give audience to a man who has had relations with a rebellious faction in Mexico.

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Have you any statement to make with reference to your so-called efforts with the War Department, Dr. Gates, and the results of such efforts?

Dr. GATES. Yes, sir. In its implication, Senator, and nearly in detail, everything that you have read is inaccurate or else totally false. I did not at any time boast of alleged aid given me by Mr. Baker. I did have two talks with Col. Roosevelt, one for five minutes at the Harvard Club, and the other at Sagamore Hill for a short time, as I would with any other man in his position. Some of his friends or relatives in California I knew personally, which was my introduction to him; and I had a short talk with him upon the Mexican situation.

The statements which Mr. Lawrence makes with regard to Mr. Baker's so-called statements to me are exactly contrary to what Mr. Baker wrote me in his letters. I dictated to a reporter of the Baltimore Evening News, who called upon me while this was being put in type on August 5, a statement which was printed in the News nearly in full, and in full in the New York Evening Post. They called me on the wire from New York, having received this, I suppose, from David Lawrence while I was dictating to the reporter of the Baltimore Evening News.

The CHAIRMAN. Who called you?

Dr. GATES. The New York Evening Post. I told them I was dictating an answer to the News, and they asked me to have the News wire my statement on to them, which was done, and both papers printed it.

The CHAIRMAN. Prior to the publication of this article, prior to the time you speak of, were you called upon by the Post?

Dr. GATES. No.

The CHAIRMAN. Before they printed this article, as to the truth of it or not?

Dr. GATES. I never heard of it at all.

The CHAIRMAN. Then, Mr. McDonald was mistaken in stating that the Post, prior to the publication of this article, had called upon you for verification or denial?

Dr. GATES. I knew nothing of this until the reporter called upon me about 4 o'clock on the afternoon of the 5th and showed me the proof of the first part of Lawrence's article.

Senator BRANDEGEE. The 5th of what?

Dr. GATES. The 5th of August, the same day it appeared, while it was being put up in type.

The CHAIRMAN. I show you a proof of the article [handing the witness a paper.]

Dr. GATES. A portion of it, about this much [indicating]; the rest was not yet in type. In my answer I went to my files and took my letters from Mr. Baker and dictated into my answer sentences from Mr. Baker's letter directly contrary to Lawrence's statements.

The CHAIRMAN. Have you with you a copy of that letter of Mr. Baker?

Dr. GATES. Yes, sir; I have.

The CHAIRMAN. Have you any other correspondence with Mr. Baker on this subject?

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Dr. GATES. I then wrote a letter to Mr. Baker, whom I have known and have had very warm feelings for for many years, especially in the old years, complaining, as an old friend, that it was not quite fair, to which letter I got a reply from Mr. Baker.

The CHAIRMAN. That what was not quite fair?

Dr. GATES. It looked like Baker was saying what Lawrence said he said, and I told Baker that it was not quite fair, after I had been visiting him as a friend, to claim that I was trying to claim his friendship and that I had been told things which I had not been told. In response to that I got a very nice letter from Mr. Baker. I have my whole correspondence with Mr. Baker. In response to that, I say, Mr. Baker answered me in effect disavowing everything that Mr. Lawrence said about it.

The CHAIRMAN. Have you that answer of Mr. Baker's? The counsel of this committee has the copies which you have furnished the committee, and the counsel of the committee is not in the city this afternoon.

Dr. GATES. That was a letter in which, in substance, Mr. Baker said he had not even spoken to Lawrence and had not met him, had not told anybody whatever anything of my conversation with him, except that he had told the State Department what I had told him.

The CHAIRMAN. You have no copies of that letter with you?

Dr. GATES. I have not that letter with me. I had given it to your counsel before. It was a statement that he had not even seen Lawrence.

The CHAIRMAN. That letter, of course, will be put in the record with your testimony. The committee itself has not had the letter before it. It is in the hands of the counsel for the committee. I supposed at this time that you had another copy of it.

Dr. GATES. That was about all, except that I referred to my former letter to Mr. Baker upon the subject of my general correspondence with him prior thereto, and said that the correspondence showed the contents so opposite to what Lawrence was saying, that I asked Mr. Baker if he had any objection to my printing and using the letters that I had written to him. In this answer to me, which was very nice and friendly, he said, "Certainly not. I have no objection at all to your making public your entire correspondence with me."

The CHAIRMAN. You have this former correspondence of yours with Mr. Baker, and his answers?

Dr. GATES. Yes; beginning with the 2d of January of this year and running up to the 15th of August, or a little later.

The CHAIRMAN. In this article of Mr. Lawrence, he has printed various letters of yours to one H. L. Hall——

Dr. GATES. Mr. Hall was an emissary of the State Department in Mexico for a number of years. For some time he was with John Lind, and he accompanied Paul Fuller, and I understand from his own letters to me, he met President Wilson by Secretary Bryan's introduction. He lived in the consulate at Vera Cruz for a time. He is now in Los Angeles.

The CHAIRMAN. These letters you wrote to Mr. Hall, did you?

Dr. GATES. Yes, sir.

The CHAIRMAN. Do you know how Mr. Lawrence secured them?

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Dr. GATES. Mr. Hall wrote me that in amazement at seeing these letters printed he went to his apartments and found that the locked cabinet in which he kept his correspondence had been opened, broken into in his absence, and these letters were missing. I had a talk with Mr. Rollo Ogden. The Lawrence article stated that they were in the possession of the Mexican Government and about to be transmitted to the Mexican Embassy and to the United States Government. Some one in New York, I think—I do not remember who—told me that Mr. Lawrence was saying that he was the transmitter of them, the medium by which they were coming to the United States Government. So I then dropped in to see Mr. Rollo Ogden, who told me that he had not seen the original letters from me to Mr. Hall but had seen typewritten copies of them before the Lawrence article was written.

The CHAIRMAN. Where did he see them—in Mexico or in the United States?

Dr. GATES. No; in the office.

The CHAIRMAN. In New York?

Dr. GATES. In New York; yes. I had been told that Lawrence had said that they were given to him by the Evening Post to write an article about. Upon that I questioned Mr. Ogden, and the most that he knew personally was that he had seen copies of them before the Lawrence article came out.

The CHAIRMAN. They had been in possession, then, of some one connected with the Post?

Dr. GATES. With the Post; and were being, as I heard—this is only hearsay—sent to the Mexican Embassy through David Lawrence. Back of that I can not go.

The CHAIRMAN. Where was Mr. Hall when he missed these papers, in Mexico or in the United States?

Dr. GATES. In the United States.

The CHAIRMAN. Where?

Dr. GATES. In Los Angeles. He is in Los Angeles a good deal of the time. I believe his apartments are in the Santa Monica.

The CHAIRMAN. Have you with you the letter from Mr. Hall in relation to the disappearance of these documents?

Dr. GATES. No; I have not, but I can bring it. I might in the matter state that the letters as printed in David Lawrence's articles are not complete. You will notice some stars there. Those stars indicate matter quite derogatory to the Carranza government, matter which I am positive is technically accurate in every way, and for that reason, I presume, was omitted from the David Lawrence article.

The CHAIRMAN. Do you desire to file this correspondence which you have here between yourself and Secretary Baker?

Dr. GATES. I see no reason why you should not have it. I am under subpœna, and you are entitled to it. As Secretary Baker has given me permission to use it, I see no reason why you should not have it. It is my own file. I would like to have the copies back in time.

The CHAIRMAN. Very well. You can furnish the correspondence to the committee. The committee will have copies made for the record and the secretary will see that your copies are returned to you.

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In calling you to the stand the committee was under the impression that you had your recent correspondence with Mr. Baker with you, not that we had it ourselves it is absent from the files at this particular time. For that reason we want you at this juncture to identify the correspondence since the publication of the article.

Dr. GATES. The only missing letter is the one which Mr. Baker writes to me stating that he had not seen the Lawrence article which I described. His original letter is in the hands of the counsel for the committee. I was asked for that the other day.

(The correspondence referred to is here printed in full as follows:)

2016 MOUNT ROYAL AVENUE,
Baltimore, January 2, 1919.

MY DEAR BAKER: In the January number of the North American Review you will find an article under my name upon "Mexico to-day," to which I invite your most earnest attention, including most especially the Meixueiro letters printed at the end, with their definite implications. And now that I at last have this article in print, I want to write you with all the seriousness I can command, recalling to myself all the high regards I had for you in every way in the years past, when we saw more of each other, in the sympathy of co-alumini and co-many other things in feeling.

You will recall my calling upon you immediately on my return to this country last May and the few minutes' talk we had along the lines of the present printed article. You closed the talk by wishing to renew it more at length, saying you would send word to me as soon as you could. I did not, however, wait upon this to put myself and the results gathered on the year's trip through Mexico at the service of the administration, but at once went to Col. Van Diemen, upon whom Maj. Campbell, of the embassy in Mexico, had urged me to call, and at his request went over the matter in long detail with Capt. Keppel the afternoon after seeing you. This was followed by other visits from time to time later.

Some time later I came in touch with Mr. Leland Harrison; we had an extended talk, in which I read him the Meixueiro letters, and at his request also handed the much longer reveiw of the matter I then had written out and of which this North American Review article is but a part. On returning the paper later Mr. Harrison said he had "passed it further" for reading in the meanwhile. He also at our first meeting—September—asked me whether I did not think the anti-Americanism of the Carranza party—as to which with the opposite pro-Americanism of the others, the opponents of Carranza and Carrancismo, he at least impliedly granted what I had said as quite correct—whether this attitude of the Carranza Party had not suffered modification "since July 18." I answered I did not believe so; the roots went deeper than that. He then asked me if I would not like to go back at once to Mexico, since it was clear I "had the entrée" that got me across with the Mexicans—to bring my information of the previous spring up to date, to see especially whether the Carrancistas had suffered such change of heart in any substantial manner—the attitude of the others being conceded. I answered I saw nothing to be gained by such a trip, but would be glad to place myself unreservedly at the service of the administration if it so desired.

At the date of this talk with Mr. Harrison the copy for the article was already in Col. Harvey's hands for appearance in the October number. I wired at once to hold it back until further directions; it was obvious its publication would impede the service Mr. Harrison suggested I might render. I held the matter in statu quo for some time, giving Mr. Harrison time to consult with Ambassador Fletcher on his last visit to Washington as to the usefulness of any such trip as suggested. And the matter terminated, I confess, to my relief. Not, however, without a number of further talks between Mr. Harrison and myself, on which I was able to pass on to him various pieces of information—everything, in fact, of which he might make use in the situation.

As to this matter of specific items of information, there is one incident which I think should be noted. About a month ago I had occasion to call at Mr. Lamb's office in the Customs at New York on a small personal matter. Quite casually he asked, "By the way, do you know anything about a man named Habermann in Yucatan?" "Certainly, he is the leader of the Bolshe-

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viki." "Good. We will stop that package here of cards for the Ligas de Resistencia marked for export to him."

This Habermann applied for a passport here about the time we declared war. Without waiting action on the application he slipped over the border into Mexico. Our people heard that he was maintaining an anti-German attitude and speaking everywere for us. All perfectly false and sent back to mislead us. But we had no "goods on him" nor enough information to warrant Mr. Lamb's action until I "happen in." All this Mr. Lamb told me.

A few days later I was in Mr. Hengstler's office in the State Department and just as a bit of news told him of the incident in Mr. Lamb's office. He broke into a smile and said, "Humph, that is news that I want also."

Now, this is placing not the slightest discredit upon either Mr. Lamb or Mr. Hengstler. But they were the two Government officials whose business it was to know just this thing. Habermann and Felipe Carrillo are the center of the whole anti-American business in Yucatan; it is public knowledge down there, easy to get at and verify without the least trouble, and I can verify it to you by much more than my personal information.

But even our officials whose office it is to have all such information have not got it. The reason, Baker, is just this: Having recognized the Carranza government, information to its discredit is not desired, and certainly not sought. You may answer me that I do not know what information our Secret Service has gathered. That is perfectly true; I do not. There are beyond question many reports in its files of which I know nothing, can know nothing, have tried to know nothing. But I have talked with a great many people in both Mexico and this country in the past 18 months. I am satisfied that our service agents do all they individually can; and I also know positively that some of our people have told the exact truth in unmistakable words in confidential reports—which remain bureaud. Others, including the consul at Progreso, see nothing.

I am writing this letter, Baker, simply to put on record to you that both in Mexico and since returning to this country I have put my information and services wholly and first at the disposition of the Government, if it wished them, including these most important Meixueiro letters, and a great deal more.

But we are moving as inevitably toward an insoluble situation with Carranza as we did with Germany; friendship and cooperation is as impossible in one case as the other. You may disguise it as you please; may try to be optimistic in face of all the facts, and the conviction of everyone, in and out of the Government, who knows them.

We are facing them with a situation something like that in Turkey. I did not meet Ambassador Fletcher in Mexico—he was in the United States all the time I was in the capital. But I said one day to Mr. Summerlin, in an effort to phrase the situation diplomatically, "In fact, our trouble is that Von Eckhardt has no diplomatic scruples and we have." To which Summerlin answered, "Exactly." Of course that could be taken to apply to our action or nonaction in a "neutral?" country in war matters; but I meant it to cover the broader American questions affecting the whole future welfare of the continent, wherein Carranza is our enemy, and I am inclined to consider Mr. Fletcher an able and capable diplomat; he plays the game very smoothly. But he plays it quite like the Austrian Pallavicini in Constantinople, so deeply schooled in the old-time formalities (which were manifestly being intentionally exploited for the purpose) that he could not call on any one but the dummy foreign minister, even in the name of humanity to save millions of lives.

Our ambassador was different; he was the true American, when humanity or great need called, mere formal precedent had to yield. To such action Woodrow Wilson must be the last man to object—equally with Roosevelt. We were at peace (?) with Turkey, technically, and stayed so even when she openly aided Germany; the matter of the Armenians was absolutely none of our business; it was an interior matter; but as Morgenthau has confessed in his last installment, he not only took steps wholly outside his formal province to do with the responsible Turkish heads, but actually saw to it that the truth got publicly known in the United States. And when he was charged with it in Turkey he openly acknowledged it.

Ambassador Fletcher has played and is playing the Pallavicini part in Mexico.

If America stands for anything in this world, it is that thing which has been represented by Morgenthau and Whitlock and Hoover, which freed Cuba, and in a crisis saved China, in the name of humanity. Mexico is crying to us for salvation, not by intervention, but by mere recognition of the facts. I have

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barely touched the fringe in this article in the North American; and I know; I have seen and gotten at the documentary proofs. In a way far superior to that in the case of the Armenians far in the other hemisphere, and long difficult to come at the facts we are responsible for Mexico's destitution or health. She is also at our immediate border, and the facts are waiting for a very little effort. The consequences also are all set on the stage to influence for good or ill for indefinite decades into the future. And not a word comes out. I assure you, Baker, I am writing with the utmost seriousness; the responsibility must some time be accounted for—not so much politically as for humanity, and the future of all America.

Since returning to this country I have talked the Mexican question with every kind of person; the interest is only equaled by the universal confession of a state of noninformation. This is a democratic country; I know you of old as to your devotion to that, and its implication of public opinion as the ultimate savior for right action. Public opinion, as has been said, when fully informed, rarely goes wrong; when only half informed, rarely goes right.,

And I want finally to recall your attention to the two letters I wrote you in June, 1917, just before starting from California for Mexico, and showing my then prepossession in favor of Carranza, and not against him.

With the very best regards,

Most sincerely, yours, ——— ———.

WAR DEPARTMENT,
Washington, January 7, 1919.

MY DEAR GATES: I have your letter of January 2, and will take great pleasure in reading the article in the North American Review. I am also glad to know that you made contact with the State Department and with the Military Intelligence, so that we have the benefit of your observations and reflections on the situation in Mexico.

Of course, I owe you an apology for not having made an appointment to personally go over the situation with you, but the European problems have absorbed my time exclusively; and after all, the things you observed are more immediately appropriate for the State Department than for the War Department. However, if you feel that there are still some things which ought to be gotten to the State Department through me, and any opportunity arises for you to come to Washington, I will be glad to see you either on Thursday of this week or Tuesday of next; between those two days I shall, for the most of the time, be out of Washington.

Cordially, yours, NEWTON D. BAKER, *Secretary of War.*

2016 MOUNT ROYAL AVENUE,
Baltimore, January 21, 1919.

MY DEAR BAKER: The clouds are gathering steadily over the Mexican question, and as the clipping bureaus supply me I find one thing above all which seems to me to impede a statesmanlike and proper solution—the fact that whatever the writer's point of view, "all Mexicans are alike" to him, and the solution sought is a mere reaction to his interest or prejudice.

In our encouraging talk of 10 days ago we broached a point which affords a clue through all the devious lines of action and party. I am going to delimit those divisions more definitely and succinctly than our time then permitted.

Keep as your fundamental the three great political divisions, always marked under conditions of stress—ultra to conservative; moderate; liberal to ultra-radical.

Mexican patriotism is as varied as the spectrum. The reaction to exploitation and dictation from abroad (which goes back to the conquest) is comparable to our past "bloody-shirt waving" and lion's tail twisting. It is always vociferous; it is political; it is the Mexican jingoism. It really is characteristic of a very small part of the people, though its seed is there to sprout when stimulated. I have heard different people estimate this troublesome class as, say, 150,000 in the whole Republic. At the present time they are the anti-Saxons, the anti-capitalist syndicalists; they control the press in Mexico. They have been and still are pro-German. They do not want democracy. And they forever wave the Yankee peril. Generally they are Jacobin; now antiall religion.

At the other end is an equally small class politically, but also important. This is the propertied, haciendado class, at the same time the "very Catholic."

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Wherever I met that combination, Haciendado plus very Catholic, I find a complete lack of the anti-Saxon spirit—going to the extreme of desiring American control. I have in my possession letters written by the official representatives of this element, proposing an American financial administration or protectorate, a sort of Platt amendment. I had these in Mexico and took them as topics in conversation; I found them an unfailing touchstone.

This element is totally lacking in political Mexicanism. Members of it in Yucatan asked me whether we would not take Yucatan in. In Mexico this class is that which feels itself Spanish; Mexico is its "estate." It has many members in this country now (naturally); I am on intimate terms with a number of them. One of them lately told me they expected to be back on their haciendas in two months, annuente Washington. I was shown a code message saying that Ambassador Fletcher had agreed that "the operation" on our sister should take place immediately, at Manuel's house; Fletcher being referred to as "Dr. Arrow" and Manuel's house being the oil district under Manual Pelaez. This was shown me in good faith by a man who believed it as veracious—which I, of course, did not. I later learned that I was myself being quoted in Mexico City as authority for news that Washington was willing and ready for action to overthrow Carranza and restore the old Diaz régime; I having at that date not even written a single letter to anyone at all. I had to take immediate pains to have it squelched.

This element has representation in this country, I being on cordial terms with them, as a friend in general of Mexico, and socially acquainted with so many of their friends and relatives there. This fact limits much of what I might say, but I can say that they have expressed great hopes to me of securing most ample funds for direct action in Mexico, and have a candidate whom I must not name. Names of favoring (?) members very high in the Government have been given me, as was the Fletcher story.

At different times people from Mexico have shown me their claims on behalf of this party. At present they claim to represent "all the elements in the field" except the Felicistas. Some months ago this claim was made to me, as supported by verified credentials emanating from the military leaders. Since my good will was desired, these papers were shown me. They were not good. From knowledge in my personal possession the signers were not qualified. They claimed to represent Zapata; the man who signed for him was an unknown; knowing Zapata, that he should be yielding military authority to a "Catholic-Hacendado" party, which he had been fighting since 1909, needed more than that. I was told that the State forces of Oaxaca accepted the "new unified command." The signature indicated to prove this was that of an unknown man, signing for Higinio Aguilar, and the "others of the south." Aguilar is a general under Felix Diaz, and to my positive knowledge has no authority whatever to sign for Oaxaca. Gen. Meixueiro gave me most specific tests to verify anything claiming to come from him. All these claims are to get money and standing and assistance from Washington.

In immediate alliance with this element is the ultrachurch party, whose object is restoration of a church régime. This element may be called the high finance church party; it will be found in alliance with any element in the United States that will pull off intervention and make "business safe."

One point here is of special interest. Whenever I have met one of this element—that is, the Haxcendado plus the very Catholic—even in ordinary social intercourse and ventured to take the part myself of the Indian as "fit for something," the temperature always dropped so fast I had to change the subject quickly. In response to my North American Review article, in which I say a very little in that line, I received a flattering letter, but correcting me on that point. I am given a long argument to show that the Hacendados and the whole Spanish conquest were the benefactors of the Indians. "I am merely asking for justice for the much-abused landowners—under Diaz we were the oppressed, not the Indians."

We thus have a limited "vociferous" class, which makes war on "the exploiters," and the Saxons above all, by every means of to-day—Pan-Latinism, confiscation of all the properties class of 10 years ago, by some form of so-called legislation, under a military dictation that bears no resemblance to democracy, and is developing the present situation out of which forceful intervention for dollars is held to be the only solution. And then we have the opposite class, not vociferous, but with a very definite "voice" in things. These two classes act and react in this country. The Ashurst resolution, the "make Mexico pay,"

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etc., are the natural counter expression of the jingo Bolshevism across the border, and both are oil on the flames which Wilson hoped to put out.

Between these two lies the great mass of the Mexican people—voiceless. By the Carranza control of communications in Mexico, by the fact that they have no representatives in this country and do not maintain a propaganda, as do both the others, they are unknown to exist. But they exist in Mexico in the great mass of the common people, in the great incountry stretches from which no word comes, and in the armies in the field against Carranza. It is not true that the forces in the field are united under Gen. ———, and the Partido ———, which seeks to bring in Señor ——— by a cuartelazo, having arranged things with the banking house of ———, and given the nod by ———, who is said to speak for his kinsman, a certain cabinet officer. (Of course, I am giving you this in the strictest confidence.)

The forces in the field are fighting to verify the revolution which Carranza and Alvarado have exploited to their own ideas. All this great middle class, and this field aggregation of separate forces, is opposed to an American protectorate but anxious for American help to rebuild Mexico. They are not anti-religion nor ultra-Catholic; generally stated, they are Catholics as their religion, but not as their politics, and eternally opposed to a renewal of church domination and to the abrogation of the laws of reform of 1857, which effectively separated the two (this abrogation being a specific object in the plan of the ultramontane party).

This middle class and this revolutionary class is led in Mexico by the main military political units, as I told you, Zapata, the State forces of Oaxaca under Meixueiro, and the "reorganizing army" under Felix Diaz, and quite effectively controlling the greater part of all southern Mexico, starting from Tamaulipas (in contact with Pelaez) down through Vera Cruz and Tehuantepec to Chiapas and Tabasco. I can place in your hands their political program in full; comparing it with those of the other two it is seen immediately to be a moderate, balanced solution, which only needs a standing ground to begin to rebuild Mexico by Mexicans. (But here I must frankly say Mexico is sick and destitute, and we must stand by.)

This third, the moderate, element is substantially voiceless in this country. Felix Diaz has an official representative in New York; he was the chairman of the Mexican division of the foreign language committee on the fourth loan, being chosen for that after the Carranzistas in New York refused to take part in the matter. There is no one to speak for Zapata officially; though from my intercourse with him and his people I can bridge that personally or tell what I am sure would have his support. The Oaxaca sovereignty and Gen. Meixueiro have no progaganda, but can be spoken for here.

The claim of all the elements opposed to Carranza is that his 1917 constitution is simply a nullity. It was adopted by a packed military convention of his supporters; I have in my possession public posters prohibiting the election to office of anybody "opposed to the present administration" as evidence of Carranza democracy. By elections under such conditions and armed control of the poles legislatures and a Congress were inducted, out of which came "extraordinary authority in legislation or matters of finance or war." That is Carranza and his appointed governors have ruled by fiat decrees of their own. The 1917 constitution has never been ratified by the required majority of local State legislatures, and hence either as a reform of the 1857 or a new constitution by its own terms is still only "operating" but not valid.

From all these grounds the revolutionists, opposed to Carranza's anti-Americanism, pro-Germanism, his military distatorship, his total failure to settle the real interior questions of the revoluton—freedom of electons, local municipal freedom, the land question, etc.—simply stand on the Carranza constitution of 1917 as a nullity. That position on their part in itself would solve all the present intervention danger; for it would go back to the status of law instead of the confiscation plans that are making all the trouble.

Of the various cooperating military elements those in the south have definite plans and platforms of reconstruction, which with help would rebuild Mexico and give democracy a chance. All of these I have in my possession. The various military elements around the west coast, the north, and down the northeast, and in communication and agreement; but they are not fighting for the restoration of Cientifico-Catholice control, as my friends of the first class above constantly assure me.

The revolutionary forces dominating in so much of the territory have whatever de facto position that involves in such cases. Especially in the south

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they are maintaining peaceful normal administration in large reaches of the country by the support of the country people and wthout large standing or moving forces. It is a sort of minute men proposition. Zapata has administered his territory in the State of Morelos and adjoining parts as to make a de facto administration; the Felicista control is mainly a military protecting and operating organization, save in Chiapas, where over a large part of the State it amounts to civil administration, under Gov. Pineda. Among these cooperating elements, however, the State of Oaxaca occupies a unique position, from the de jure standpoint. Once admitted the nullity of the Carranza dictated but not ratified constitution Oaxaca stands out as the one sole representative of constitutional legitimacy in the Republic. For the Government there is that which was duly elected and installed by peaceful elections in 1914. The term of Gov. Canseco ended December 1, 1914; Guillermo Meixueiro was elected governor, but resigned for other service, on which the legislature selected another man who has since then, with Meixueiro's aid as general in command of the State forces, continued the administration. To bring this down to date read the Meixueiro letters at the end of my article in the January number North American Review.

As you know I am against intervention in the most positive manner, you will not misunderstand the following summary of the attitude of the many Mexicans toward us. Those who are thinking of their property interests want intervention and a protectorate. The ultra-Catholic party want to make Wilson their spokesman "for religious liberty." Both the foregoing are few in numbers, but powerful, and with manifold connections in this country. The 150,000 jingoes want to follow Lenin's example; it is they who (with German and syndicalist aid) shriek nonintervention and the Saxon peril. Their patriotism is the "chip on the shoulder," which is not patriotism at all. The great middle mass, with some education, love their country, and do not want intervention, but help and friendship, for which they will give friendship. The ultimate mass, the Indians—the 60 per cent or more—would welcome us as new and "trustable" masters. They are not after "patriotism" and sovereignty, but bread and a chance. It would be only a change from oppression. We would try to make the Indian a man; no one else ever has.

So we see how the danger point lies in just that summing them all up as "the Mexicans," while our ears and newspapers are filled only with the news of those who have the door to a hearing—the vociferous and the soft voiced, we can call them.

Am going to New York to-morrow for a week; if I dig out anything worth while, will advise you.

Most sincerely, yours,

——— ———.

WAR DEPARTMENT,
Washington, January 23, 1919.

MY DEAR MR. GATES: The Secretary asks me to acknowledge your note of the 21st and the very full information which you have outlined regarding the present political divisions in Mexico, which he is very glad to have.

Cordially, yours,

STANLEY KING, *Private Secretary.*

2016 MOUNT ROYAL AVENUE,
Baltimore, January 30, 1919.

MY DEAR BAKER: This is a letter which for every personal reason I do not want to write. In the first place, I have put 18 months solid upon this Mexican political condition; I am tired, and I want to get off and do many other things which are good to do and waiting. With the completion of the series now running in the World's Work, I will consider the trip at an end, and then mean to go off into northern Canada for some months to build up, and then in the fall to interior Guatemala for work among my Indians there, both archaeological and sociological.

Also, this letter will have to look like the million others written to this or that Government official. This is the hardest reason to get over; but I am going to remember that ever since first knowing you I have spoken of you as one of the very few men with whom I could always lay the cards out on the

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table. And at our last talk you closed by saying I was the only man you had talked Mexico with who did not have an interest. And so because the subject is so important and critical, I have to sidetrack the weariness and the distaste and write the letter.

To do it I must put all the cards on the table, including this first: You know I am a Republican and a Roosevelt Progressive one. In my preference for you and Johnson in Cleveland it was as against Hanna and "politics for business." You and Johnson cared to do the good things—as McKisson only wanting to get the credit for seeking it. I voted for Roosevelt in 1912, and would have done it again in 1920. When 1916 came I charged Wilson's intervention with the entire responsibility of Mexico's desperate condition. But notwithstanding that, I voted for Wilson against Hughes, because I saw coming under the latter the same phenomenon as Lincoln saw coming after the Civil War—business expansion in the reconstruction era, with the swollen fortunes coming from the war, going out and buying up the weak countries. On the one hand, Wilson's refusal to permit American banks to join in the international tying of China; on the other the "purchase" of Nicaragua. In spite of the practical failure of the Mexican policy, I still chose Wilson for his principles, seeing in Hughes the "made" candidate of a new and overwhelming world-wide dollar diplomacy.

What I did in Mexico you know. I did it not because of interests, for I have none; but because I care for my Indians; because they can come back; because they are the great bulk of the population and are not an "inferior race"—only a suppressed one; and because their economic regeneration means the peaceful solution forever of the Mexican-Central American problem. And I do not suppose I have to say that Carranza will never do it.

Since returning to this country I have talked with every class of men, from Boston to Washington, Wall Street men, men in the service, newspaper and magazine room, and from Sagamore Hill to your office and Leland Harrison's. I did this to get in touch with American sentiment (or American ignorance) on Mexico, and also to try to find one special thing—the point of view of the statesman or the publicist—the care for the results.

In the current Editor's Desk in the World's Work they say they were attracted to my articles because they were "the first that seemed to make the situation in that distracted country intelligible, causing to emerge a picture of Mexico that actually makes sense—that does not leave the impression that Mexico is simply an eruptive volcano of political lunatics and strange monsters, called foreign exploiters; but a real people, who, though badly led and suffering from inherited wrongs and ignorance, really are fighting their troubles with some intelligence and with some hope (under helpful guidance) of ending them."

I have been trying to find that viewpoint here. I have found it in a quite encouraging number of cases, but they are an insignificant number in the whole mass. And New York especially I find almost wholly submerged in the "trade" standpoint; almost nobody either believes in Mexico or cares for her. I could get millions to reestablish business in Mexico, and plenty of it speculatively in anticipation. But I do not remember a single man who has wanted and been ready to do something for Mexico—except Ford's tractor-gift scheme, which, from ignorance of the state of things, is misdirected, as it would only have the fate of our Red Cross in 1915—the generals would profit and no good reach those in need.

The American people do not want intervention, but public opinion, and especially all newspaper opinion, is going toward it overwhelmingly. Mexico is coming on the first page, and is going to face Wilson when he returns. The reaction between Carranza's whole conduct of flat enmity, the hundred and more slaps in the face which, if you ask the M. I. D., they can tabulate for you (though still unpublished lest the public opinion become irresistible), the King and Ashhurt resolutions, the "Make Mexico pay," and the association of $2,000,000,000 of investments, American, Canadian, and English—all these things are setting the stage against Wilson's return. And the keynote is going to be force. Everybody is going to demand that we "clean up the Mexican question"—which simply means that we once and for all assert what amounts to a Platt amendment status, to the permanent lesion of Mexico's independence of action—the one thing of all that hurts—and which Wilson has been against.

I am getting the Mexican papers, and also private reports; they show desperate efforts to report victories and the surrender of the revolutionists. I have talked here with Carranistas with whom I am friendly, and his situa-

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tion is getting desperate, and he knows it. The amount of lies that I get, which I know are lies, is amazing.

In my last letter I gave you the picture of the three Mexican elements. They correspond to three courses of action. There can be only three: Leave Mexico to Carranza—that we have been doing, and it is breaking, after reducing Mexico to an abyss. Take it in our own hands—intervention and superior supervision, whatever you call it. This is desired by an increasing group of "interests" and by the unpatriotic Mexican element—of which I wrote last. Or, third, cooperate in a rehabilitation with the decent class for the great needy class. During these past years Carranza and the dual censorship have built a Chinese wall between us and that third class. Now, against Wilson's return the pendulum is swinging, and the other class, the Mexican-American interventionalists, are about to step once more between us and the real Mexicans. The great plain people never get a say—and you know how true that is—the demagogue and the exploiter are always there, but only in the rarest cases a Tom Johnson, who both knows and cares, and gets on the job.

Now, Baker, I am tired and want to get away from it all; my articles will soon be off my hands, and they are going to do just what the editors say—they will prevent this question "popping in" in a state of complete noninformation; they will give the public something to orient itself by; they will make the thing "understandable," will arouse some public sympathy and American good feeling, fellow feeling. For one thing, I am planning to include a detailed list of how Mexico through her whole history has had to pay millions for a few thousands advanced (usually corruptly) and then stolen; how her first loan was put out at 32 per cent; how 145,000 grew to 1,971,000, to 15,000,000, and Maximilian; how Henry Lane Wilson's and Wilfley's (etc.) swollen claims against Madero shrunk. When I have done this my job is done. I will have redeemed my promises to those plain, sincere people I met through all Mexico, Zapata, Meixueiro, and the rest—and spoken. I will have given a voice to that part of Mexico which has been inarticulate and for whom no one has given his work.

I said I would put the cards out on the table. When in Mexico I believed I would be on hand at the psychological moment for one of two courses—to provide Wilson with the needed proofs of the conditions, to support the necessarily coming change of policy we heard of a year ago in Mexico (after the sudden discourteous departure of Luis Cabrera) as being already then realized in Washington; or else to force Wilson's hand in his support of Carranza, by the facts made public. I got the goods; and I am wholly frank to say that after all I saw of Carrancismo in Mexico I would have done all I could by publicity to force his hand to a change, if that were the only thing left.

But courses have worked otherwise; it is other forces that are bringing things to a climax. It is not I who am developing the situation by what I print; others are doing that—while I have brought back the data and made the connections that make possible the third solution. And in spite of all, that is what I am sure Wilson wants—and, too, I do believe he is sincere.

When I saw you three weeks ago, you asked what would I do were the making of policy in my hands. I said I would prepare what way I could for a cooperative rehabilitation, not offensive to Mexico's dignity, with the decent non-Carrancistas. You asked whether they would not again split up when they came to power; I said if we could find a way to make ourselves a central stabilizing factor, without actual political domination, and if economic rehabilitation for Mexico's good were immediately gone at as a fact, it could be done.

The great danger at present is that things are going so fast between the Carrancistas, the rising revolutionary force, and the move for intervention, that there may suddenly be no time left for the preliminary negotiations that must take time. And since leaving you I took upon myself unofficially to make those preparations.

Carranza falling, we must then come to deal in the Mexican affairs, with his present opponents. You then appoint some emissary, who sits across the table; the negotiations are official and dominated according to circumstances by one of two factors, up to this date not arrived. If the revolutionists in the field drive Carranza out of the capital, they are in a position to dictate terms, in some degree. They will no longer need us for their main objective. If conditions force us to take the upper hand against Carranza, we become the dominating factor de facto. In either case, the resulting intercourse will be official—between two distinct interests, ours and theirs.

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You know my relationships with all the different Mexican elements against Carranza; all regard me as their friend, receive me as one of them, and in desire to promote rehabilitation with cooperation and without intervention. As the Cientificio element wants a financial intervention and protectorate for their personal interests, I have not gone to them. But I have gone to the others and asked them to draw up what we might call a memorandum precedent to a protocol of cooperation in Mexican rehabilitation. I have spoken as one of themselves, in a way no official from the Government could do; have said they must go to the very limit of the edge of yielding American supervision, still saving Mexico's dignity. That the plan must be one that would command support in Mexico and give confidence in Washington and New York. I impressed that they can go much further with full grace, while the initiate in preparing such a plan is with them.

This memorandum is now under preparation. I wrote about it at once after my talk with you three weeks ago, and have just been over its main lines in conference in New York. The future lies with the gods, but the memorandum does give a way out. It will imply political sanction but is economic in essence, and does provide under very effective guaranties and a central stabilizing factor for the actual economic rehabilitation of Mexican industry and agriculture. We are going further than a mere statement of principle; we are providing for immediate action. As we described it, the politician's objective is attained when he assumes office; the engineer's only begins there. This is not a proposition by the statement of which one hopes to be helped to get the Government in Mexico; it is a plan of reconstruction, an operative plan, not just one to get into power and control. And it includes the actual doing of those things for the Indian and common people of Mexico which I want to see done. We are working out this plan just as if we already had the power and were about to begin. We are seeking to save Mexico's independence and yet meet every sound business requirement. And (most hopefully) we are agreed that the dignity question is essentially one of form and wording.

This memorandum is being prepared at my instance and with my cooperation. I have specified a number of things as details, to which all have agreed. I am doing this wholly unofficially, so far as you are concerned. I can say to my colleagues, "We must do so and so," and they can accept without loss of grace, for I am working on their side, not yours. And we are trying to offer what both Wilson and New York will be able to accept—Carranza once out of it.

In these past 18 months I have done work ahead of time and intentionally to meet this crisis which now comes. The administration was tied officially by its relations with the Carranza Government. I have made all the connections with all the other Mexicans which will carry forward Wilson's policy. I can get more concessions from Zapata, from Felix Diaz, from Meixueiro (and that means the whole revolution) than any official you can send, just because I was there as their friend, believing in them when you did not. I can not help a jot while Carranza lasts, save by helping public opinion to understand; but with Carranza out, I can accomplish for the work what no one else can—not because of any great ability, but because of these friendly connections I have made in all these 18 months and my present intimate knowledge of all the factors—all which now there is no time for another to do.

When I last left you, you said in parting that you would send for me "when it pops." I have been doing this other thing since, that the bridge might be actually constructed ready to throw over when it does. This is all going to rest on Wilson. There is not another man I could write to as I have here to you; it is possible even you will think it exaggerates. Do so if you will. But I know it does not. I want to quit and rest, but I can not do it honestly without writing you clearly and finishing the memorandum as at least a starting point for new action when that becomes necessary.

And so I write this. When the memorandum is in shape, I want to put it in your hands with whatever conversation is required. With it I want you to have mainly my three articles, the one in January North American Review and those in February and March World's Work. When the case comes to issue, that you lay it before Wilson. It is then with him, and I am out.

Most sincerely, yours,

——— ———.

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2016 MOUNT ROYAL AVENUE,
Baltimore, February 23, 1919.

MY DEAR BAKER: I think the inclosed copy from a letter I have just written will interest you.

Yours, sincerely,

——— ———.

[Copy.]

In regard to your idea that I would have done better not to be quite so plain in saying that Wilson's Mexican policy had failed completely, "because the only way to treat Wilson is to flatter him," I have this to say:

No one can possibly read my three articles without seeing that I am fighting with all I have for Wilson's 85 per cent, for our Indians, for the dispossessed small farmers, for the Mexican common people, whom I love—that I am fighting to give actual result and effect to Wilson's principles. To put it bluntly, I am fighting for Wilson, although against his policy in some ways, but chiefly against those who have betrayed the trust he placed in them. I can not show this without showing that he has not succeeded in getting what he sought.

I have listened to and read everything that has been said on the subject; I have been through all this as no one else has. I have heard everything said against Wilson—that once he makes up his mind he simply will not listen to anything; that he will neither take advice nor hear testimony; that he will have no man who is not a "rubber stamp," and all that.

I disagree with him vitally in many ways, but I voted for him in 1916. I am a Republican. I was here at the Hopkins when he was in 1885, but I do not remember meeting him. I do not know the man. He has his ways, and in politics I do not like those ways. But I am not going to believe—on any evidence that I have yet—that the only way to treat him is to flatter him, and that, therefore, I should be silent on a question like this. If he is that kind of a man I will not be silent anyhow; but where it comes to the heart of the case, as it does here, I will not be silent for fear he may be so.

And can anyone deny that Wilson is being faced with an impasse because of facts which no one knew to exist when he gave Carranza support. Earl Grey hoped for peace in Europe because he could not see the menace which was then unknown to the world. Many men's policies have failed in all these years.

You may be right, of course; yet I still do not believe it enough to keep silent on what must be told in order to save Mexico, and those very people whom I am wholly satisfied Wilson wanted to serve. And again remember, at bottom of my platform is Wilson's—the Indians, the 85 per cent, the land, peace, and friendship with Mexico. Carranza is only the incident, the obstacle. What I think of Americanism in business is all clear in my last article; Wilson himself can not accuse me of pleading the case of the "exploiters," either Mexican or foreign. On the contrary, the only criticisms I have received—out of many appreciations on the articles—have come from Cientifico friends who complain because I talk of justice to the Indians, and who claim that they—the large landowners—"were the oppressed under Diaz, not the Indians." Also, from some friends connected with some of our largest interests in Mexico, who "correct" me on what I say about Henry Lane Wilson and his circle.

Of course, I hope Wilson will see and read my articles when he comes to be faced with the now-focusing problem of "rehabilitation or intervention." They are too full of facts which I know have not reached him. But if the result when he does depends on my suppressing things just to flatter him, he is not the man I am still sure he is. And if he were, I would not do it anyhow. I will not keep silent on the heart of the truth, where it is my place to speak, and where, as in this case, I am the one man who by reason of past years' work and 18 months intensive travel and work can talk—and still have no "interests" whatever, yet have covered all the phases and party lines.

2016 MOUNT ROYAL AVENUE,
Baltimore, July 6, 1919.

MY DEAR BAKER: Here is a letter I wrote you last January, and did not send; it is more live now than then, so I send it.

I have been called by the committee on the coming Gould H. R. hearing on Mexican affairs for what, I am told, is to be extended testimony. The matter

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is political dynamite; I was given undeniable proofs recently in Canada of what I received much previous evidence on here, that Wilson promised Balfour and Borden some little time ago (just about the time, as I understand, that Blanquet sailed for Cuba, and the Monroe doctrine clause was added to the league covenant) that he would put an end to the present hopeless condition in Mexico. Notwithstanding the known "good standing" of Limantour and the other old Cientifico elements in European capitals, and the general hint of "high finance" and a new practical protectorate, all involved in what I hear in New York and elsewhere, I will never believe that Wilson will yield the destinies of Mexico to that element. For this reason I do not desire that this Gould hearing shall put me in an antiadministration light or attitude before Wilson has a chance to settle the question (let us hope, now, once for all) for the benefit of the Mexican people.

Nothing can now possibly save Carranza or his whole régime. But the alternative—rehabilitation or intervention—is still open for a very short time. People tell me on all sides that Wilson must come to intervention and, at least, a financial (perhaps also military) protectorate. I answer them, this violates all his principles of his whole two administrations and confesses failure, after six years' trial, right here, where he is extending those principles to world scope. To this they reply he will find some way to "explain it."

The effort, or one effort, of this coming hearing will be to take the solution out of Wilson's hands. I have seen and known of the coming of this hearing for some time, and have intended all along that when it should come I would go to you first for consultation. I still am satisfied the matter can be saved, with dignity on both sides, and I wish I could help.

Very sincerely,

———— ————.

WAR DEPARTMENT,
Washington, July 10, 1919.

Mr. WILLIAM E. GATES,
2016 Mount Royal Avenue, Baltimore, Md.

MY DEAR GATES: I have your letter of July 6, inclosing the letter which you wrote me on January 30 but did not send at that time. Whether or not your forecast is accurate, of course only time can tell. I shall not forget, however, that you have special opportunities for information, and if the matter comes to a place where I should consult with you, I will let you know. Primarily, of course, all of this is a matter for the State Department, in which I, as Secretary of War, have not only no function, but have no right to intervene or to take any other than a citizen's interest.

Cordially, yours,

NEWTON D. BAKER.

2016 MOUNT ROYAL AVENUE,
Baltimore, July 11, 1919.

MY DEAR BAKER: I am inclosing you a translation of a document of which I have had the original autograph signed copy for a long time, but have never had the time to translate. As a protest against the illegality of the Carranza régime, and as a well-balanced State paper, issued by people who have been the only ones actually to protect their part of Mexico from lawlessness for these four years, I think it is of such importance now that it should go directly to the President's own hands. You can, of course, do this, so I send it to you for that.

I have yours of yesterday answering mine of the 6th. I do not think I quite want to agree with you that all this Mexican matter is just for the State Department, so that you, as Secretary of War, have not only no function but no right to intervene or take any other than a citizen's interest. Diplomatic intercourse with the Carranza administration is, of course, a direct function of the State Department; but the Mexican matter in its present condition, involving the immediate issue of military operations, is rather a matter pertaining to the President and his Cabinet, wherein you, as his close personal intimate no less than his Secretary of War, have a very lively interest and intervention.

Whether the coming necessary solution of the Mexican question shall be one to antagonize all Mexicans as such, or shall recognize that there are other Mexicans, besides the Carranzistas who are equally their enemies and ours, is

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an administration matter in the broadest sense. And it, with the resulting indicated issue, is and will be also a matter concerning Congress. None of us, almost least of all you, can have a mere citizen's or inactive interest—inactive I mean of urging counsel where the doors lie open to us, as to you in the Cabinet they do.

If the thing should come to what, for instance, the New York Times of yesterday foreshadowed, a request by the President for congressional authority to intervene by force, and if some such preparation is not taken to gain Mexican good will and cooperation, instead of driving many again to Carranza's side, "to resist the foreign enemy," and everywhere in Mexico now controlled by the Carranza forces, American and other foreign men will be killed before we can reach them with our protection, women will be worse than killed, and property destroyed which should remain intact to the rehabilitation of Mexico. These dangers are the subject of my past letters to you. They are matters which you will necessarily, in your official capacity especially, have to discuss with the President. And I have addressed the letters to you because on the one hand of my long-old high regard for you yourself and because you happen to be the only Cabinet member I know—and I have no taste for hunting Government officers.

With sincere regard,

Cordially, yours,

——— ———.

WAR DEPARTMENT,
Washington, July 15, 1919.

MY DEAR GATES: Gen. Churchill to-day handed me your letter of July 11. I have read the paper of which you inclosed a translation and will be glad to bring it to the attention of the President and the State Department when an opportune time comes to discuss the questions to which it is pertinent.

Naturally, it is my duty to get all the information I can about this whole situation, but clearly I have no right to express opinions or to indicate possible courses of action in such a matter, the whole situation being primarily one for the President and the Secretary of State. This does not mean that I in any way undervalue the importance of your fund of information, but it does seem to me necessary, to keep the record clear and to have definite understanding, that the only use I can make of any information given to me is to transmit it to the department of the Government appropriate to consider it.

Cordially, yours,

NEWTON D. BAKER.

Mr. WILLIAM GATES,
2016 Mount Royal Avenue, Baltimore, Md.

2016 MOUNT ROYAL AVENUE.
Baltimore, July 20, 1919.

MY DEAR BAKER: A sentence in your letter of the 15th leads to a response which, although a fact, through the whole of the correspondence with you on this subject, I have not before thought proper to put in words.

First, I must say that I have in no case either tried to invite or even desire from you the expression of opinions or the indication of possible courses of action; such would have been both improper and untimely.

It has been both my desire and duty to acquaint you, as a personal acquaintance in the position you occupy, with essential matters; as it was a matter we hoped would never need your attention as Secretary of War, my purpose in all these letters and our talks has been that you being advised might in conversation communicate the data directly to the President and not through the State Department—a matter within your competence and privilege.

You say the only use you can make of the information I have given you is to transmit it to the department of the Government appropriate to consider it, that meaning what you say earlier, "the President and the State Department," and not just "the President through the State Department."

The key to the whole you will find in my letter of January 2, where I say, referring to the State Department, "having recognized the Carranza government, information as to its discredit is not desired, and certainly not sought";

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with what I say in the same letter comparing Ambassador Fletcher with Ambassador Morgenthau.

I am fully aware and in sympathy with the necessities that hedge an ambassador; but those necessities are no reason why he should refuse to inform himself and his own Government of critical facts; there are certain polite generalities he may use, but that does not extend to statements he knows are untrue and other like methods.

When I was in Mexico and had seen for myself the state of things I was amazed at what I may call Fletcher's supineness; I said very little of it outside the embassy, but I did comment on it to your military attaché, who told me I should not criticize Fletcher because he was only following the lines Wilson insisted on, and that Fletcher himself knew all the facts just as I had seen and learned them for myself.

Now, Baker, I am not entirely too sure of all this. Many things counter it. Maj. Campbell dropped me a friendly, though unneeded, hint to stay on good terms with the State Department if I wanted to help Mexico by taking real facts back to Wilson; I said, "You mean the State Department does not like citizens interesting themselves until it is ready to change its policy?" "Exactly." On returning I found the same spirit. Naturally the State Department has to deal with formalities; it has been told to recognize Carranza as the Government of Mexico, and its idea was to work it out through Carranza—even though it has to be "more Catholic than the Pope" in doing so, and characterize all efforts to take thought for the coming storm and crisis as chronic opposition to the administration. There is a great deal in all this that makes me doubt most seriously whether it is all fair to the President. Some one (in service) in a late conversation where others of the service were present and I made a remark, "Oh, we won't put what we know all in the reports to the President;" and if some one wishes to he is told "The President don't want that kind of information."

I am only giving you State Department intimations, and correct ones as everyone in the military service knows. You do not have to admit them, but you know them; the lack of coordination between the State and War service is notorious.

And the point I am making is, I am doubting seriously if it is fair to Wilson. Though he is going to have to stand for its results. And it is not out of possibility that it may before long come to the question of whether Fletcher or Wilson is to "be the goat." Wilson has had his whole attention on the European end.

Here are two bits of information that you may accept as absolutely reliable: First, that Fletcher's real opinions on the impossibility of the Carranza crowd have been an open secret among his personal friends for some time, notwithstanding an absurd and needless laudatory interview he gave out. Second, that some time ago his friends—personal—suggested to him the idea that had he chosen diplomacy as his life calling he might have lost.

Now, the matter of my letters. Things being as above, and it being clear as day that things were going just as they since have gone, that Carranza was not a "government," but an outlaw, legally and actually; that he was our implacable enemy, and no stable, prosperous, and friendly Mexico ever could be built up under him; that Mexico herself was ready to be our friend, and take our help, given in a decent way—it was clearly laid on me in the unique position I found myself, as a neutral center of friendship among all the Mexicans save only the Carrancistas, to prepare by information and personal negotiation with them to meet the coming crisis. The State Department was refusing to do it, and was impeding its being done even in legitimate ways by the military intelligence. It was my clear obligation as an American, and the only one in a position to do that work, to do it in as prudent and diplomatic way as I could. That I succeeded is now manifest, for I did not even queer myself with the State Department.

It fell to where I could do it, and it was my bounden duty to do it. I was able not only to gather data and facts, concrete, from official and public sources in Mexico; to bring them into clear form by a study of the whole problem from its beginnings long ago—but I was also able to discuss with the various leaders of the main armed forces—legitimate constitutionalists and not bandits, home protectors and a peasant people fighting for their right to live and work—as to their attitude on all questions, including that of cooperation with us. It was my duty to go on with this against the time when Wilson should need it in just the present crisis.

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If peace came with the retention of the Carranza régime, all I did was useless and to no end. But on the day that "the President and the State Department" (in whose hands you rightly say the matter lies primarily, but which means actually only "the President")—on the day he recognizes that, because of unrevealed purposes, as concealed then as were those of Germany 10 years ago, Carranza has betrayed both Wilson and the Mexican people, as well as democracy in Mexico—that day everything I have done, and done alone in this past two years, becomes completely justified.

I have been doing for Wilson the work which was the province of his State Department and ambassador to do, and which they refused; I have done it without compromising any person; my protection has been that I have been notoriously "nonofficial"; I have discussed these matters with Mexicans just as their personal sympathizer.

Further, let this be clear in the record: I have kept myself nonpartisan as between the various Mexican factions against Carranza. My files of correspondence prove this. I have no propaganda for any faction—and they all recognize that fact and treat me accordingly.

I have through it all played fair with my own Government; I have concealed nothing, have constantly cooperated with facts and as I could. I have sought one thing only—to find and concrete—in time—the solution for Mexican rehabilitation without armed intervention. The facts I have printed have helped. Word was sent me from the foreign colony in Mexico: "Give Mr. Gates our most grateful thanks; he has broken the wall of ice, and now the truth will be no longer possible to conceal, and Mexica can be saved; the State Department will now have to admit the facts."

When I began to publish the truth I dared the disapproval of the State Department if not its censorship. Now every paper, and magazine, and every Congressman, and one department after another is beginning to print, piece by piece, what I said months ago in the North American Review and World's Work. But with the printing also had to go on a special line of data and information to you, that you might be advised, and in the wish that you might transmit it uncolored to the President in person. I am writing very plainly, but this is a private letter even though to an official, and so, in a way, "part of the record."

Now, on this July 20, things are multiplying so fast I am fearing it may climax before it can be cared for. Let me, therefore, say what I must:

The day we openly (or even privately) acknowledge Carranza's impossibility all my two year's work is confirmed as that of a good American who could not go to France but did something elsewhere.

It is possible to form a new Mexican administration, by a coalition of all the decent and patriotic Liberal elements, who will initiate a policy of reconstruction, with our accepted help. This new administration can be made to command the support of all the main armed elements against Carranza; the State of Oaxaca and Miexueiro, Felix Diaz and his supporters, the Zapatists, Pelaez, and even Villa and Angeles. I am not speaking by guesswork; I am qualified to speak positively. (Remember all these people feel kindly to me personally, for what I have done for them when no one else cared or tried.) To protect such a rehabilitating Mexican administration, a stablizer center must be had; we can with our power and resources become that center, and yet in a way that will not violate Mexico's independent political self-determination, nor submit her to conscienceless and usurious financial control. Again I am not speakng carelessly. I am ready to be challenged to prove it—to Wilson's satisfactin. But I do not care to reach him at second-hand, for reasons stated.

As to the make-up of such a new administration, I am formally qualified to state that Felix Diaz would not ask to be made president (I think he would like to be free to stand later in a fair and open consitutional election, as is his undoubted privilege as a Mexican citizen), that the Zapatista element would consent to some one, a Liberal, not of their own party; that Pelaez has no thoughts of it; and finally that neither Villa nor Angeles will be an obstacle. Also that Miexueiro, and I never even discussed such a possibility as for him, and I know he has never sought it; he has only been for over four years defending the homes, schoolhouses, and laws of his own people against destruction.

Remember again, this is not theory and hopes I am telling; I have been for two years trying to see it worked out; I have it where it can be proven—when the right call for it comes.

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The only alternative about to be left to us, is to permit such a reconstructing administration to start, on terms satisfactory to us and beneficial to Mexico (and I already have a very definite outline of such terms framed and officially agreed to—against a possible possibility of such a case) or dictation by us, openly, with force majeure. Do I have to ask you which of these two alternatives I should have sought to prepare for, or which is "Wilsonian"?

Finally: Events are crowding. After all, it may be too late, as it so often is. Wars can be prevented, if facts are considered in time. But this may be now too late; and Wilson may be facing armed action.

I must make this as strong as words can make it.

Nearly all the foreigners are along the railroad lines, controlled by the Carranza forces, who are showing their temper these days. I do not have to recall the terror that followed all over, in Carranza lines, at the time of Pershing's expedition, nor the Vera Cruz time before. Now, with the Bolshevik element and the years of taking loot and blood since, if we announce an expedition, what will happen to foreigners and especially Americans, men and women, is as certain as that the sun will rise. If you make your determination to change things in Mexico coincident with such announcement, you bring this on, fatally. But if you want cooperation of the real Mexicans, welcoming you as Mexico's friend, and their effective protection of foreign lives and property, as well as Mexican, you can have it—if you will consider it. Again I am not speaking carelessly; you may challenge me to prove it to you authoritatively.

There will be some difference, in the future of Latin America, if we go in this as friends of the Mexicans, or whether to the final technical end we hew the diplomatic line, that there is no Mexico but Carranza, who has existed to her destruction.

I expect to come to Washington to-morrow, to stay several days, if the Gould hearing lasts.

Cordially, yours,

———— ————.

2016 Mt. Royal Avenue.
Baltimore, May 24, 1919.

Brig. Gen. M. Churchill,
War Department, Military Intelligence Division,
Washington.

Dear Gen. Churchill: There are so many sectors in the world a part of your province you can not read all that is written, but the March and June (just out) articles in World's Work contain so many particular facts related to the special work you have told me of, and the June article particularly might equally well be a Military Intelligence Division report, that I am hoping you can read at least those two.

The June article evades naming a number of guilty Mexicans, as to which I can well give you the actual names, and you should know them.

Beginning on page 219: The general who demands the 20,000 pesos with a pistol, was Heriberto Jara, a year ago in command in Vera Cruz; now Minister to Cuba. The cattle shipments, with a Nogales bank hint, refers to Carranza; this loot with other, said to amount to some six millions, is deposited for him personally in Japan, in Salvador and Argentina. The official at the head of the tariff evasions, and many similar tax frauds (for which very purposes excessive imposts are laid, that they may be brought out of) is intended for Nieto. The purchasers of the French exchange with canceled paper, were Luis Cabrera and Obregon. Pablo Gonzalez and Luis Patino, his immediate subordinates, are the men higher up in the gray automobile robberies; but a bit ago when the attack was getting warm they threatened to pass the blame "on up"—where it belonged. This I take more a threat by them, than positive evidence against Carranza; Carranza takes his in his way, on the north border and from German and other sources, and the army loot is "Army." Not mentioned in the article is the fact that Obregon is no cohead of the reds with Alvarado, as proven in the Felipe Carrillo papers I got track of in New York.

Please regard me as always at your service for anything I can do.

Very cordially, yours,

———— ————.

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2016 MOUNT ROYAL AVENUE,
Baltimore, August 6, 1919.

NEWTON D. BAKER, Esq.,
Secretary of War,
Washington.

MY DEAR BAKER: David Lawrence has appeared with an article, on its face inspired by the Mexican Embassy, and while charging me with having been "long a secret agent of the revolutionists in Mexico" makes another effort to discredit me as having claimed to have support and authority from you and from the State Department, which is "emphatically denied: Washington disavows him."

I have been writing to you on this matter for seven months and have had conversations with you. Through all this, one thing has been absolutely clear—that it was all based on what Consul Thompson in the Times for Sunday called "the most thorough study of Mexico under revolutionary conditions ever made by any one man, Mexican or foreigner." It was based on my belief resulting from that study (which I began predisposed toward Carranza) that Carranza had betrayed Wilson, was our enemy, and a still worse enemy of his own country; that he would have to fall, at which time we would either have to intervene by force and administer Mexico for ourselves or find some way of establishing a stable, honorable, and friendly Mexican administration; that steps preliminary to that end were diplomatically impossible, of course, while we continued recognition to Carranza; but that I in a wholly personal way, without having and just because, I could truthfully say, I did not have any official connection or authority from our Government, could of my own motion keep in friendly intercourse with these others.

Of all this there has never been the least secret between us. I told you and others the exact facts; also there is not a letter; nor did I ever in words tell anyone claiming to have authority. I asserted the exact opposite, because the opposite was not only true but the only way I could hope to carry on.

Now, I brought all this to you as a matter of obvious duty as an American. It was my duty to give the administration first call. In one of my letters I told you that I had neither sought nor desired expressions of opinion from you, only to give you information, which you replied, acknowledging my special facilities for acquiring such and your duty and pleasure in receiving it.

I began and carried on not only this independent work but my letters to you in the effort to avert what is now coming very close—armed intervention. I took this information to you because of our past acquaintance, and because by its very nature it was outside the province of our officials to gather at first hand, and I did it that through you the President, in whose hands the final action lies, might be informed. You received it for transmission to him and the State Department in proper course; now, David Lawrence says none of it has been transmitted to either him or the State Department.

You never on any occasion told me, as Lawrence says, that my information must be presented directly to the President or the State Department; you wrote me to the exact contrary effect.

I did not threaten, as Lawrence implies, that if you or the State Department refused to lend me a sympathetic ear, I would put the matter before the Rules Committee; I wrote you as a friend to you, and to the President, urging you to pass the facts on before the Rules Committee brought it out (as they were sure to do, once I was called to make political capital).

The chairman asked me if I had made any reports on conditions in Mexico to any Government officials, when I said I had written to you and to Gen. Churchill, with information, he served me written notice to bring copies. I did not think all my letters to you should be so introduced, and I kept them out only by claiming they were not official, but letters to a personal friend, "of whom I have always been very fond." (Quite true—in the old days I knew you in Cleveland, I did have the highest liking and regard for you.) But now this is all turned around to charging me with "claiming" your close friendship and special intimacy, at least implying authorization. This is not a proper return for what I was trying to do.

Lest you may not have seen my response in the papers, I wish to call your attention to the end of Lawrence's article, where after a talk with "a State Department official" I am said to have gone out to do a certain thing on the ground I had been encouraged by the Government to do so. I met that official at the instance of a mutual friend, a warm supporter of Wilson; we had four talks; it was understood the whole was completely confidential; I have so

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kept it; the information to Lawrence can only have come from the other man, himself opening the confidence, and in an effort to discredit me. But fortunately (our final talk having been at my room in the Willard last Thursday evening), Friday evening, after due consideration, I tried to reach him to say I could not go on; failing to reach him, on Sunday I wrote him that: "Under political conditions as they now are, I can not go on with the matter we lately discussed." This letter he must have had on Monday; and on Tuesday he gives the matter to Lawrence—48 hours after I had declined to do further with the matter.

Now, Baker, there is not one thing in all this past year's record that has not been legitimate, or which I have not openly let you and other officials know. I have not been an "agent," in the accepted meaning; no one has either directed me or paid me. You told me yourself I was the only man you had talked Mexico with, who did not have an "interest." The part I have played has been that of pleader for an oppressed people, parallel, though not yet so awful, as with the Armenians. In addition I have tried to do something to help my own administration when a crisis came I believed would come, and is now at hand. The fact that I put myself at your and Wilson's command first, is now used to discredit me—or to try it, since the record is too clear to allow it. My one great object in it all was to avert armed intervention, and my whole correspondence with you, which for the reasons above I kept out of the Gould hearing record, shows that and everything else I herein say, absolutely.

I therefore wish to ask you now, whether you know any reason why I should not allow my letters to you to be made public—since they were not official, and therefore did not and could not compromise you officially in any way. Have you any objection to my printing them, if I so desire?

As I size the present situation after many talks with many people, the Republicans are against armed intervention for reasons, at least, of economy; also for the higher reasons; the Democrats in Congress seem to be for it; the Military Intelligence is against it; but departmental circles seem to regard it as inevitable, and in some cases to regard it with complacency. I repeat again, it is neither honorable nor necessary, and what is most needed is knowledge of the real facts to avert it. For that, and that only, I have been working.

I am sending a copy of this to the President.

Very sincerely, yours,

——— ———.

AUGUST 15, 1919.

MY DEAR BAKER: I have yours of the 10th, on my return from the North. I want to say that in both form and content it is very gratifying. However radically one may differ with another in political opinions, one hopes to keep unbroken at least the memory of friendly estimations, and this latter your letter has maintained, for it is apparent that David Lawrence misrepresented you quite as he tried to do me. His whole article implied that he was quoting you, among others.

You are entirely correct: There is no mystery whatever in either my letters or conversations with you, nor has there been in my other activities in the Mexican matter.

I went to Mexico predisposed toward Carranza and his movement; I found a condition of unbelievable misery, oppression, and anti-Americanism, boding ill for the future of the whole continent. I became convinced that with the end of the Great War our Government would have to come to the "radical change of policy" now indicated in the note of July 22 to the Carranza government. I besides found the whole régime there one of force, of chaos and crime, founded on usurpation, and resisted by liberty-loving Mexicans through the whole country, men of standing and probity, and ready to be our friends. From top to bottom I found Carranza soldiers to be the real "bandits." Diplomatic exigencies, to speak so, however, completely confounded the Carranza element with "Mexico." Its crimes were charged against the nation in general. And it remained the dictum that "It is Carranza or armed intervention, for there are not other Mexicans to turn to." This was covered by the diplomatic technicality that, while maintaining relations, we must not take any steps to safeguard the future, however black and positive that might be. This diplomatic technicality has been completely brushed aside time and again in our late European dealings—Greece, Turkey, Austria and her now released peoples, Belgium while still "neutral" with Germany.

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Convinced that Carranza would fall, and then would come the crime of armed intervention, I set out to do what I could as a private citizen to avert it. Many Mexicans say we have only been letting Carranza destroy Mexico, and letting his insults to us go on, that we might enter and take more territory. If we go in now with force, still confounding Mexico with Carranza and ignoring the aid of these others who have begged us for the relief, we as Americans have the heart and spirit to give—we will foreclose for all time before the bar of history our chance to disprove that charge. As an American I am going to protest to the end against such a course—the course of dishonor for us.

I have done no act to "promote revolution" against Carranza. I have given myself the task of seeing that the crisis did not come in a state of noninformation on the part of the American people and at a moment of inflamed sentiment. I dared to go into print, not in cheap publications, but in those of the highest standing in the country—including the one at whose head was our ambassador to England; I did this eight months ago, when mine was the only voice; now the whole set of facts I gave out are acknowledged from one end of the country to the other; and they were and are acknowledged as not inspired by either enmity toward Mexico or a desire for armed intervention, but by the very opposite of those motives—an abiding friendship for "Mexico" and a belief in her possibilities of even democratic self-government and national respectability—in time, and with support in her present transition crisis. In this I still seem to be ahead of many—who know the matter less well than I do. In to-day's paper I find, referring to note of July 22, that "the State Department has proceeded cautiously because there is no one outside of Carranza with whom the United States Government can deal, and a break with Carranza apparently has no other alternative than armed intervention or war."

It is exactly to prepare against that situation, for the benefit of my own Government, that I have been trying; and it has been solely to declare to you that there is at least a way to begin that safer path, that I have written my letters of the past months.

I have not tried to overthrow Carranza, as such words are usually meant; I have based my action on a predicated passing of Carranza by the sheer necessities of the case, and that I might then have a way to show to rehabilitate—without war. I found various Mexican parties; the general belief was that none of these would come together—but nobody save myself has tried to find out practically whether they would or not. I have, for instance, much influence with the Zapatista element—an influence that can be a moderating and restraining one if need comes—just because I went among them in a friendly way, found what they are longing for (which is just what you and I and Wilson all proclaim), and treated them as just men. I am certain I can bring them into a coalition administration (after Carranza is gone), instead of their continuing to be an obstacle to peace.

I can exert the same influence in Oaxaca, and Oaxaca provides that legal point upon which a diplomatic recognition could be based; if we withdrew recognition from Carranza, the State of Oaxaca, as the residuary of the constitutional order under the old, the real constitution, becomes ipso facto the bearer of Mexican legality; it is at least well arguable whether withdrawal of the one recognition does not automatically grant the other.

I have a similar influence with the Felix Diaz party. I find them, in natural loyalty to their leader, disposed to think about a new administration, with him dominant; this especially whenever some one tells them "Wilson is about to recognize Felix Diaz," as has been done several times in the past few months by people who had much appearance (to them, at least) of authority. But my influence there is constantly exerted to a genuine coalition, and it can be brought about.

I have not made contact with Villa and Angeles, but I have been visited by supporters of theirs, assuring me that if I will take the pains I can get all the assurances I can ask from them.

That is, through all this I have sought to prevent any of these elements becoming an obstacle to unification when the critical time comes, and this is an end to which no one else has taken a single step, but an end I am willing to say I can put through if permitted. Does not that mean peace instead of war? Honor instead of dishonor?

In all this I have made no secret with you or anyone. I have put myself, first, at the disposal of the administration, because it is that the Republicans naturally want to take credit to themselves by finding and putting over a solution that will stand criticism; some people would be quite willing to see Wilson

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invade Mexico, though the Republicans in Congress are against it. Most of them want intervention no more than I; but all have been ignorant of the fundamental facts, and the State Department has continued to insist there is no solution but Carranza or war, and that is daily more certainly meaning war.

In these days our political opinions constantly shift our associations, we are radically opposed to one vital issue, unqualifiedly at one upon another. In this Mexico matter I am neither Republican nor Democrat; I am anti-intervention, because it can be avoided. And Mexico can be rebuilt by our friendship, cooperation, and resources.

This association of mine with the various anti-Carranza Mexicans has now lately, under Carranza inspiration, been attacked as secret intrigue. In spite of the fact that the only possible way for me to carry on successfully in such an effort was to be, and be openly, merely a private citizen, without "authorization from Washington." David Lawrence has made absolutely false statements, apparently quoting you and others directly, to discredit me on that line. And he has long been considered the "administration mouthpiece"—the one who says what Wilson and Fletcher want said. Your letter is therefore most gratifying, agreeing as it does completely with my own understanding of our relations and not David Lawrence's. And with you I see not the slightest reason for any controversy in the papers. It is still my intention to try to find out how he got the letters to H. L. Hall, whom you will remember long as an emissary of the State Department in Mexico, acting with Lind, Fuller, etc., and so a man I am quite justified in talking Mexico to. Mr. Hall writes me now in the matter, and it appears that his apartments were entered in his absence and my letters stolen from a lock compartment where he kept various papers and correspondence. I think it is up to Lawrence to explain how they came to him. He says they came to him from the Mexican Government.

So far, therefore, from denying the activities asserted, I gladly acknowledge them in the form above—not of "intrigue for intervention" or to force that by bringing about another Columbus raid, all in collusion with the "oil men," as the New York Call monstrously charges me on the strength of the Lawrence article. And the associations thus formed can be of use to you in either of two events:

If you go on to intervention, I can use these formed connections to provide protection for American lives, American women, and for property in general, in that critical period in Carranza territory before we ourselves are able to give that protection. I do not think you would dare refuse such an offer as this in such event.

If you want to know what can be done to establish a new friendly Mexican administration that will take our proferred aid in a proper way for the rehabilitation of the country, actually, and without the stigma of force and arms, or a "financial protectorate," you may have an answer.

Eight or ten months ago my ability to do anything in either of these two ways might have been doubted; you will not do so now.

And so, now that your letter has restored the cordiality which for a time seemed to be threatened, I beg you to consider me still at your service—just because, though a Republican in all other matters, in this I am neither Republican nor Democrat.

Very sincerely, yours,

WILIAM GATES.

The CHAIRMAN. Have you any connection, financially or otherwise, with the Association for the Protection of American Rights in Mexico?

Dr. GATES. None whatever. I am not a member.

The CHAIRMAN. Have you any connection with any Americans who are interested in Mexico in getting out propaganda for them or for anyone else?

Dr. GATES. No, sir.

The CHAIRMAN. These articles to which you have referred, and which you have written for various magazines—were they written at the suggestion, or request, or with the knowledge of Americans interested in Mexico?

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Dr. GATES. No, sir; upon my own initiative entirely and before I had met any Americans interested in Mexico—that is, of the present people.

The CHAIRMAN. Have you been in any conspiracy with any one, Mexican or American, to bring about intervention in Mexico?

Dr. GATES. It is a part of my complaint that I have been charged with being an interventionist, whereas I claim myself to be about the most pronounced anti-interventionist in the country.

The CHAIRMAN. Have you any connection with any Americans in this country or in Mexico whereby you are influenced in your ideas either for or against intervention?

Dr. GATES. Not in the slightest.

The CHAIRMAN. Then you have been presenting to the public, solely upon your own initiative, such information as you have given; and the testimony which you gave before the congressional committee was given in the same spirit in which your articles have been written?

Dr GATES. Exactly. In fact, I might say that I think the Association for the Protection of American Rights in Mexico was founded in January, and the greater portion of my articles were already written or outlined before that time, before that association was formed, and months before I met any of the people connected with that, or any of the oil men.

The CHAIRMAN. Then you are not one of the American "vultures" who are seeking to secure annexation of Mexico and its great oil and mining wealth for the benefit of some exploiting Americans?

Dr. GATES. Senator, I would like to take occasion on that question to tell you how I first met any of the oil men. It will take only a moment. I think it was in February there were some resolutions, I think, in Congress, and the newspapers printed these with several heads—"Make Mexico pay." I remember that particularly. It was a resolution that Mexico has been very bad and must pay claims. It was also at that time that somebody started the idea that we should buy Lower California in order to take payment for the outrages on American citizens.

The first loan that the new independent Republic of Mexico put out was at 35 per cent discount off, and, with commissions, it amounted to 68 per cent discount. Mexico has often paid thirty-three per cent a year for a loan put out by a temporary dictator which did not profit the Republic at all.

There was a claim, I remember, against the Mexican Government of 145,000 pesos for some lands which somebody was said to have owned—this was a Mexican—which in the course of some nine or ten years was paid by the Mexican Government with 1,700,000 pesos, and so on and so on. The extent to which Mexico has had to pay, and as you remember, in connection with a 750,000 loan by, I think, Miramon, which was expended corruptly, in which 15,000,000 of Napoleon III——

The CHAIRMAN. We will be glad to go into those matters a little later.

Dr. GATES. May I finish, in just a moment, Senator?

The CHAIRMAN. Yes.

Dr. GATES. With all that in my mind I thought that would be a good article to write, how Mexico had been paying. I wrote to the

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New York Public Library, to Herbert Putnam and to Mr. John Barrett if they had any material to add to mine, to send me some material. Mr. John Barrett referred me to a Mr. Harold Walker who was said to have some material upon that subject.

That was the way I came to meet any of the oil people to get something of that kind from them. I had never met or seen any of them before.

The CHAIRMAN. Did you go into any agreement with Mr. Walker to get out propaganda in favor of intervention in Mexico? Did you have any such discussion with him?

Dr. GATES. Absolutely not.

The CHAIRMAN. For the present I have no further questions.

Senator BRANDEGEE. I have none.

The CHAIRMAN. We will be glad to summon you again later at another phase of the question.

The committee will go into executive session to complete the evidence of Mr. Smith.

(Thereupon, at 4 o'clock p. m., the committee went into executive session, and after the consideration of executive business the committee adjourned, to meet at 10.30 o'clock a. m., Monday, September 15, 1919.)

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INVESTIGATION OF MEXICAN AF

HEARING

BEFORE A

SUBCOMMITTEE OF THE COMMITTEE ON FOREIGN RELATIONS UNITED STATES SENATE

SIXTY-SIXTH CONGRESS

FIRST SESSION

PURSUANT TO

S. Res. 106

DIRECTING THE COMMITTEE ON FOREIGN RELATIONS TO INVESTIGATE THE MATTER OF OUTRAGES ON CITIZENS OF THE UNITED STATES IN MEXICO

PART 2

Printed for the use of the Committee on Foreign Relations

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INVESTIGATION OF MEXICAN AFFAIRS.

MONDAY, SEPTEMBER 15, 1919.

UNITED STATES SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON FOREIGN RELATIONS,
Washington, D. C.

The subcommittee met, pursuant to the call of the chairman, at 11.40 o'clock a. m. in room 422 Senate Office Building, Senator Albert B. Fall presiding.

Present: Senators Fall (chairman) and Brandegee.

The CHAIRMAN. Is Mr. de Bekker present?

Mr. DE BEKKER. Yes, sir.

The CHAIRMAN. Will you come around, please?

TESTIMONY OF L. J. DE BEKKER.

(The witness was duly sworn by the chairman.)

The CHAIRMAN. Give your full name, please.

Mr. DE BEKKER. Leander J. de Bekker.

I regret, Senator, not having received the notification that my presence was desired last week. There [producing paper] is a notice that came in lieu of the telegram directed to my office. The telegram itself I did not receive until the 12th.

The CHAIRMAN (to the secretary of the committee). Have you the copies of the subpœna?

In accordance with the custom of the Senate, telegraphic subpœnas are sent, and one was sent to you on September 9.

Mr. DE BEKKER. Yes, sir; that is the one I received, Senator.

The CHAIRMAN. Another on September 10.

Mr. DE BEKKER. That I did not receive.

The CHAIRMAN. On September 10 the Sergeant-at-Arms received notice from the Western Union Telegraph Co. that telegram dated September 9, addressed to L. J. de Bekker, Bush Terminal Building, New York City, was not delivered; reason, party unknown.

Mr. DE BEKKER. I made inquiry about that, and was told by the Western Union they made an attempt to deliver it to the League for the Enforcement of Peace, of which Mr. Taft is president.

The CHAIRMAN. We want to clear the record now. There was some newspaper report about it, and this is simply that the whole matter may be cleared up.

Mr. DE BEKKER. Yes.

The CHAIRMAN. On September 10 another subpœna was sent to the address given by Mr. McDonald. "Mr. L. J. de Bekker, 130 Forty-second Street, New York City."

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Mr. DE BEKKER. I received a telephonic communication from Washington, probably in response to that.

The CHAIRMAN. The Sergeant-at-Arms has turned over to us your telegram of the 11th acknowledging your receipt of the telegraphic subpœna of the 9th, and stating that you had not received it until "to-day"—that was the 11th—owing to insufficient address. On September 12 the Western Union Telegraph Co. notified the Sergeant-at-Arms that a telegram of the 9th to L. J. de Bekker, Bush Terminal Building, New York City, was delivered O. K.

Mr. DE BEKKER. Yes; it came by mail, however, Senator.

Senator BRANDEGEE. By mail from Washington?

Mr. DE BEKKER. No; by mail from the Western Union office in New York.

The CHAIRMAN. On the 13th the Postal Telegraph Co. notified the Sergeant-at-Arms of the Senate as follows: "Your telegram of 10th to de Bekker, 130 W. 42 St., signed Barry, undelivered. No such number. Can you give better address?"

Mr. DE BEKKER. The number should be 130, Senator.

The CHAIRMAN. And we have here my telegram of September 12 to you, "You will appear before the committee Monday, 15th, 11 a. m."

Mr. DE BEKKER. I received that.

The CHAIRMAN. 426 Senate Office Building. You had a telephone communication also, did you?

Mr. DE BEKKER. Yes. I have not, Senator, seen any of the minutes of your committee except as to the hearing of Mr. McDonald. There were some questions addressed to Mr. McDonald which he himself apparently was not able to answer, and as a matter of saving time I have made a brief memo giving such information as I can on those subjects. May I submit it to you?

The CHAIRMAN. Yes. First state your business, please, your occupation.

Mr. DE BEKKER. I am a writer.

The CHAIRMAN. Engaged in any particular line of writing now, Mr. de Bekker?

Mr. DE BEKKER. No; I am not doing very much in the writing line at this moment.

The CHAIRMAN. For newspapers or publicity or otherwise?

Mr. DE BEKKER. Oh, I am handling the matter for the League of Free Nations Association.

Senator BRANDEGEE. Mr. Chairman, in relation to this memorandum he submits, I would like to hear it read if it is going into the record.

The CHAIRMAN. Yes. I would be very glad if you choose to——

Senator BRANDEGEE. That is, I do not think matters ought to be put into the record bodily without our knowing what they are.

The CHAIRMAN. I agree with you entirely.

So, Mr. de Bekker, you may read the memorandum.

Mr. DE BEKKER. I will, if you desire, but possibly your clerk would make a better job of it.

The CHAIRMAN. I think you had better read it yourself.

Mr. DE BEKKER. "This memorandum is submitted to save time by furnishing the information sought from examination of previous witnesses as indicated by questions in the stenographic reports.

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"I am a member of the Mexican Committee of the League of Free Nations Association and of the association itself, and have been chiefly responsible for the activities of the committee in its attempt to reply to the propaganda favoring an intervention in Mexico.

"Having been threatened with a libel suit by the Association of Oil Producers in Mexico in their letter published in the Nation, I have avoided any specific mention of the oil interests by name. The Nation of July 26, 1919, page 108——"

The SECRETARY. What is that reference, please?

Mr. DE BEKKER. The Nation, of July 26, 1919, page 108. But assuming that the statements made before the committee are privileged—I am right in that, am I not, Senator?

The CHAIRMAN. If you desire to claim privilege; yes, sir.

Mr. DE BEKKER. I do desire to claim privilege.

"I give the list of the oil interests concerned, which Mr. McDonald our chairman, did not have in his possession when testifying before the committee: California Petroleum Co., Continental Mexican Petroleum Co., Freeport & Mexican Fuel Oil Corporation, Huasteca Petroleum Co., Mexican Gulf Oil Co., Mexican Petroleum Co. (Ltd.), of Delaware, Mexican Petroleum Corporation, National Oil Co., Pan-American Petroleum & Trading Co., Panuco-Boston Oil Co., Port Lobos Petroleum Co., Snowden & McSweeny, Southern Oil & Transport Corporation, Standard Oil Co. of New Jersey, Tamiahua Oil Co., The Texas Co., Tuxpam Petroleum Co., Union Oil Co. of California, Union Petroleum Co. Among the most active individual propagandists are Edward L. Doheny, leader of the entire group of oil interests operating in Mexico; I. Jewell Williams, a Philadelphia lawyer, who is also president of the Boston-Panuco Oil Co.; and Burton W. Wilson, a New York lawyer in the employ of the Standard Oil Co., or those of its subsidiary corporations operating in Mexico. Charles Hudson Boynton, at one time superintendent of the Associated Press in Washington, is the press agent for this group. The list is probably not complete, but Mr. Boynton can give a complete list of the Association of Oil Producers in Mexico, of which he is also press agent. All of the corporations above named are members of the National Association for the Protection of American Rights in Mexico, of which Mr. Boynton is 'executive director' (which may be interpreted press agent), with offices at 347 Fifth Avenue, New York; Frank J. Silsbee is styled secretary of the National Association for the Protection of American Rights in Mexico, and in the absence of these persons the office appears to be in charge of Harry W. Berbie.

"As to the mining and ranch interests involved in the effort to bring about an intervention, Mr. Boynton, who, if not present at this session, can easily be reached, can give you more accurate information than I can. A 'mining and smelting group' is carried in the membership of the list of the National Association for the Protection of American Rights in Mexico, but there is a possibility that some members of this group would be averse to intervention, among them Nicholas F. Brady. This statement is true also of the ranch groups and other groups listed in the Boynton organizations. Thus, Thomas W. Lamont, of J. P. Morgan & Co., may be averse to intervention, and I should be disposed to give the benefit of the doubt to many

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others claimed as adherents in the Boynton propaganda. The facts may have been represented incorrectly, as when Prussuig, a legal hirling of the propagandists, told Oswald Garrison Villard in my presence that 'the oil men don't want an intervention.'

"As to the pen name of Kincheloe Robbins, concerning which the chairman sought information from Mr. McDonald, I might say that it was adopted for reasons which appeared sound to me and to the New York Tribune as a signature for certain articles of mine published last year. Maj. Thomas L. Kincheloe, a soldier of the War of Independence, was my great-grandfather, and so was Daniel Robbins, of Baltimore, a shipowner of the same period. The only other pen name I have used in the last 10 years was 'An Abstracter of the Quintessence,' signed to a series of nonpartisan political articles in the New York Evening Post during the last presidential campaign.

"My article on 'Wilson's Mexican Policy,' incorrectly quoted in the stenographer's minutes as 'Wilson's Mistaken Policies,' was based on a contribution of mine to the New York Evening Post in 1916, brought down to date by including his address to the Mexican editors. It contains nothing that can be construed into an attack upon the President, nor can anything else issued by the League of Free Nations Association since my connection with the organization be so construed.

"The editorial from 'Excelsior,' and also the interview had by that newspaper with the archbishop of Guadalajara, were translated and sent to me by Mr. Winton, lately a witness before the committee.

"The 'Appeal to the President' was written by me in collaboration with Mr. McDonald, at his request, and was submitted to several members of our association for criticism and to several persons not members of our association. By the time the revision had been completed it was announced that the President was preparing to leave Washington. We struck from the printed copies the names of members of our committee on Mexico, as they had not had an opportunity of discussing it in meeting. All members present of the committee on Mexico agreed to it at a meeting held last Friday, and their signatures will be printed with ours hereafter. Our assumption that President Wilson is aware of the nature of the propaganda against Mexico now being printed is based on his statement 'issued from the White House' to the Associated Press, dated March 25, 1916, which reads as follows:

> Convinced that powerful influences are at work to force intervention in Mexico, administration officials were to-day considering just what steps shall be taken to bring the agitation to an end. * * * President Wilson is said to be determined to stop the circulation of inflammatory rumors and to take legal steps if necessary.

"We believe that the President is well informed as to the nature of this plot against Mexico, and that he is at this time in possession of documentary evidence regarding some of its ringleaders. And it is our sincere hope that he will produce this evidence in time to avert an intervention.

"When the Senator desired that Mr. McDonald give him a specific instance of propaganda against Mexico, I fancy the Senator must have been in a jocular mood, for I can not suppose that he does not read the newspapers, or that he does not possess a complete file of the articles issued by the various Boynton agencies. If he will re-

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fer to the newspapers detailing the adventures of a German spy in Mexico, he will find that it is sponsored by the National Association for the Protection of American Rights in Mexico. Although there is no reason to suppose that this person ever saw President Carranza, and a specific denial to that effect was made in dispatches from Mexico City by President Carranza himself, its serial publication was not interrupted.

"I submit herewith, although I am confident that the Senator has seen it already, the monthly bulletin of the National Association for the Protection of American Rights in Mexico, wholly devoted to attacks on Mexico, and, in many instances, unsigned attacks.

"I submit herewith the announcement of a series of atrocity stories written by Agnes C. Laut, the letter of her manager frankly saying that 'in view of the fact that the Monroe doctrine was only written into the peace terms on condition of a clean-up in Mexico,' etc., and speaking of Miss Laut, who represented herself in Mexico as being staff correspondent of the Saturday Evening Post as having 'just returned from a long trip to Mexico for the financial journals of England, Canada, and the United States.'

"Who is Miss Laut?

"She is of Canadian birth, and was named as a pro-German suspect in the list given out last winter by the United States Department of Justice. She is the author of an article in The Independent which was accompanied by a fake atrocity picture, as recently exposed by the New York Call.

"Who pays Miss Laut?

"Ask her, Senator, as she has been an interested spectator at these hearings. Ascertain if her real masters include the list of petroleum trade papers named by Mr. Boynton's propaganda societies as belonging to them, or if she has any interest in a great philanthropic work for children in Mexico backed by Dr. Norman Bridge, of Chicago, a member of the National Association for the Protection of American Rights in Mexico.

"I submit herewith a letter from Mr. Boynton to Mr. Villard as evidence of the care he exercises in watching the metropolitan press for any symptom of a word friendly to Mexico. I submit other letters from him to the same publication, establishing his connection with the oil interests he is especially hired to defend, and ask that he be required to produce similar letters attacking me, addressed to the editor of the New York Tribune, with whom also he desired to renew old acquaintances.

"Who pays Mr. Boynton?

"Let him answer for himself, since he has also been an interested spectator at these hearings.

"I submit herewith a copy of the New York Call, containing a photograph of the letter by which William Gates, a go-between for various Mexican bandits, is accredited as agent to the chairman of the House Committee on Rules, who recently 'investigated' Mexican affairs for 'General' Mexcua, now exiled in Habana.

"Who is Mr. Gates?

"His letters and that of Secretary Baker in the same publication tell the story rather more completely than when he gave his remark-

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able testimony before Mr. Campbell's committee, where three New York dailies disagreed as to his business and residence.

"Who pays Mr. Gates?

"He has been an interested spectator at these hearings, and also a witness. Is he a millionaire, traveling for pleasure, as he told an editor in Yucatan?

"Senator, if I were in a position to subpoena witnesses, and compel evidence, I think I would interrogate some of the propagandists against Mexico, of whom, I am told by friends, there are sometimes a dozen present at these hearings.

"The suggestion that I made months ago that there should be a congressional hearing for Latin-American affairs in general was well meant, but when I made it I confess that I had not foreseen the possibility of such a hearing as this.

"In conclusion, Senator, I beg that you will understand that my attitude toward Mexico is that of a loyal American who merely desires a 'square deal' for Mexico, as for all the world. I do not believe that, under the tremendous difficulties of a reconstruction with the rest of the world just emerging from war, the present government in Mexico has created ideal conditions. But I am convinced that President Carranza is the strong man of that country, that he is honest, intelligent, and sincere. At this moment he is, I believe, giving a better government to the Mexican people than we could. I speak with knowledge of conditions in Haiti and Santo Domingo. And if there had been in any Mexican city within the last six months as such disorders as we have had in New York, Boston, Chicago, and Washington, to say nothing of the sporadic outbursts of mob violence to which we have grown accustomed in Texas, our newspapers have been strangely silent. I saw, Senator, with my own eyes, a prosperous Mexico, except in places where American influence is strong, as in bandit ridden Tampico. I know and you know that dynamite with which to blow up trains and wreck buildings is not made in Mexico by Pelaez and such like bandits, but in the United States. I know that the Americans killed in Mexico are victims of deadly weapons made in America. I deplore the crimes in Mexico, but I deplore the crimes in the United States, and it does not seem to me that in our present international situation we should throw mud at our neighbors."

The CHAIRMAN. Mr. de Bekker, the testimony to which you have referred, that of Mr. McDonald and Mr. Inman, was with reference to the identification of various documents, articles or reprints sent out by the League of Free Nations Association for publication as well as for other propaganda purposes. You have read that testimony, you say?

Mr. DE BEKKER. I have read the testimony of Mr. McDonald, but only the newspaper reports of the appearance of Mr. Winton and of Mr. Inman.

The CHAIRMAN. Mr. McDonald's testimony was to the effect that you and himself prepared and sent out, or that you largely prepared and sent out various material.

Mr. DE BEKKER. That would be correct.

The CHAIRMAN. One of which articles was a translation from Excelsior of August 14, 1919. Did you pass upon that?

Mr. DE BEKKER. Might I see it, Senator?

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The CHAIRMAN. Certainly [handing paper to witness].

Mr. DE BEKKER. That I believe was sent to us by Mr. George F. Weeks, of Mexico City.

The CHAIRMAN. Mr. Weeks, I believe, has been identified as the editor, or one of the editors, of La Revista Ilustrada, the illustrated review of Mexico.

Mr. DE BEKKER. That is correct, Senator.

The CHAIRMAN. Do you happen to know for whom he is working?

Mr. DE BEKKER. I think he is working for Mr. Weeks, and very industriously, Senator, from his correspondence.

The CHAIRMAN. Do you know—of your own knowledge, of course; if you do not, we can interview some one else about it.

Mr. DE BEKKER. Why don't you ask him to come to your hearings in Texas, Senator? I think he would be glad to give you all the information he can.

The CHAIRMAN. I thank you for your suggestion. Arrangements have already been made to secure Mr. Week's evidence.

Mr. DE BEKKER. Good.

The CHAIRMAN. So we are in accord in some matters at any rate.

Mr. DE BEKKER. Good.

The CHAIRMAN. However, I am simply going to ask you whether you know of your own knowledge who is paying Mr. Weeks?

Mr. DE BEKKER. Why, I should say that he had a subscription list of about 15,000 or 20,000 and rather heavy advertising income.

The CHAIRMAN. You do not know whether he is on Carranza's pay roll?

Mr. DE BEKKER. No, sir; I do not. I have heard other people ask the same question and I have not been able to give them any information.

The CHAIRMAN. This advance proof from the World To-morrow—first, about this: You say this article you think was sent you by Mr. Weeks?

Mr. DE BEKKER. That is my impression, Senator. It was either sent by Mr. Weeks or Mr. Winton. Both have contributed occasionally translations from the Mexican papers.

The CHAIRMAN. What we are seeking to know is whether you sent it out?

Mr. DE BEKKER. Yes; we sent it out. It bears our heading at the top, Senator. We send out nothing of an anonymous character.

The CHAIRMAN. Answer my question. I am seeking to know who passed upon it and nothing else.

Mr. DE BEKKER. Yes; both Mr. McDonald and I passed upon it.

The CHAIRMAN. This article I hand you?

Mr. DE BEKKER. Yes; this is by Mr. Norman Thomas. Admirable, I should say, Senator.

The CHAIRMAN. Mr. McDonald and yourself passed upon that and sent it out, did you?

Mr. DE BEKKER. Well, we agreed it was one of the very best statements of the case that had been made and the public seems to agree with us. We have recently had to reprint some 5,000.

The CHAIRMAN. You sent it out?

Mr. DE BEKKER. Yes; you notice it contains a line "Free Service. League of Free Nations Association" at the top. There could be no question we sent that out.

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The CHAIRMAN. The purpose of this committee is to find out who passed on these articles in the League of Free Nations Association.

Mr. DE BEKKER. That is very simple. You have already been told by Mr. McDonald and myself that we do.

The CHAIRMAN. I am identifying the specific articles, and pursuing my own course with your consent.

Mr. DE BEKKER. I beg your pardon, Senator.

The CHAIRMAN (handing paper to witness). Reprinted from the New York Sun.

Mr. DE BEKKER. Yes; that would seem to be a pretty thorough indication of what we are charging; that the plans for an intervention are more or less perfected now, Senator, and this was sent out as a reprint from the New York Sun, so stated up here, together with the article of Dr. Thomas, and I think an explanatory letter issued by Mr. McDonald, of which doubtless he gave you a copy. If he did not he gladly will, or I will. We wish to link up the article in the New York Sun, which we have no doubt is entirely correct—we have a great deal of respect for the Sun and always read it carefully, and I fancy that this article from the New York Sun, together with the statement of Dr. Thomas, would convince almost anybody of ordinary sanity that there is a plot against Mexico for an intervention in that country.

The CHAIRMAN. I thank you for your suggestion.

Mr. DE BEKKER. Quite welcome, Senator.

The CHAIRMAN. But if you will just answer my questions——

Mr. DE BEKKER. To the best of my small ability.

The CHAIRMAN (continuing). Then you can have all the time you want to make comments.

Mr. DE BEKKER. I had all the time I wanted.

The CHAIRMAN. Then answer the question.

Senator BRANDEGEE. What do you mean in commenting on the article just shown you by the Senator, from the New York Sun, by saying that that indicates that the plans for intervention are already made?

Mr. DE BEKKER. It purports to give the plans, Senator.

Senator BRANDEGEE. I have not read the article myself, so I am asking you.

Mr. DE BEKKER. I say it purports to give the plans.

Senator BRANDEGEE. Well, whose plans?

Mr. DE BEKKER. The plans of the United States Government.

Senator BRANDEGEE. Very well, that is what I wanted to find out.

Mr. DE BEKKER. Yes, sir.

The CHAIRMAN. This article, "Free Service, League of Free Nations Association," by Kincheloe Robbins, is one of the articles which you are testifying you wrote under your pen name?

Mr. DE BEKKER. Yes, sir; I wrote that.

The CHAIRMAN. That was sent out by Mr. McDonald and yourself?

Mr. DE BEKKER. By the League of Free Nations Association, of which we are both servants.

The CHAIRMAN. Who sent them out?

Mr. DE BEKKER. The stenographers, I presume. I personally do not.

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The CHAIRMAN. You prepared this article?

Mr. DE BEKKER. Yes, sir.

The CHAIRMAN. To whom was it submitted?

Mr. DE BEKKER. Mr. McDonald, I believe, sent it to the printer or the stenographers.

The CHAIRMAN. Who sent it out?

Mr. DE BEKKER. The stenographers. The League of Free Nations Association is responsible for everything that is sent out, Senator.

The CHAIRMAN. This article [handing paper to witness] talks for the year 1918 in Mexico. Who prepared it?

Mr. DE BEKKER. That was prepared by Mr. Weeks and is, I believe, advance matter for the Mexican Review, sent out to us, and being included as being informative as to the conditions in Mexico.

The CHAIRMAN. Who sent that out?

Mr. DE BEKKER. The League of Free Nations Association, Senator.

The CHAIRMAN. Acting through whom?

Mr. DE BEKKER. Mr. McDonald and myself and the office force.

The CHAIRMAN. This Free Service, League of Free Nations Association, "Murder and Revenge, by L. J. de Bekker"; you prepared that, did you?

Mr. DE BEKKER. I wrote that; yes, sir.

The CHAIRMAN. Who sent it out?

Mr. DE BEKKER. It was sent out by Mr. McDonald and myself through the office force of the League of Free Nations Association.

The CHAIRMAN. "Improved Conditions in Mexico," the same character of slip. Who prepared it?

Mr. DE BEKKER. That, I think, is also advance matter from the Mexican Review, Senator, sent out in the same way, by the same people.

The CHAIRMAN. This "Weeks vs. Creel," who prepared it, where was it obtained, how was it obtained, and who sent it?

Mr. DE BEKKER. Mr. Weeks wrote a lengthy reply to an article of Mr. Creel's in an American publication in which Mr. Creel gave Mexico the devil, and the editors of that publication declined to print the response, and having a copy of it with me I simply made this adaptation of it from Mr. Weeks's reply answering Mr. Creel. Mr. Weeks's article has since been published in the current number of the Mexican Review, of which I will be glad to submit a copy, Senator.

The CHAIRMAN. This was sent out in the same way?

Mr. DE BEKKER. In the same way.

The CHAIRMAN. "Advance proof from the Nation." "Release August 30, 1919," "Mexico's Future, by L. J. de Bekker."

Mr. DE BEKKER. Yes; you need not bother to show me that, Senator.

The CHAIRMAN. You wrote that, did you?

Mr. DE BEKKER. Yes; I wrote that.

The CHAIRMAN. It was sent out by the League of Free Nations Associations?

Mr. DE BEKKER. Yes, sir.

The CHAIRMAN. Sent out in the same way the others were sent out?

Mr. DE BEKKER. Precisely as you see it there. That will be, I believe, in the next number of the Nation; but I am never sure.

The CHAIRMAN. The Free Service article, League of Free Nations Association, New York, "Release on receipt," headed "Wilson's

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Mexican policy," is the one to which you refer when you say that the stenographer made a mistake and said "mistaken policy"?

Mr. DE BEKKER. Yes, sir.

The CHAIRMAN. That was written by you?

Mr. DE BEKKER. Yes, sir. That, as I said awhile ago, Senator, is based on an article published in the New York Evening Post, to which has been added the President's address to the Mexican editors.

The CHAIRMAN. That has been sent out in the same way?

Mr. DE BEKKER. In the same way.

The CHAIRMAN. This open letter to the President, "League of Free Nations Association, 130 West Forty-second Street," September 3, 1919, addressed to the Hon. Woodrow Wilson, President of the United States of America, The Executive Mansion, Washington, D. C., "Mr. President," and signed "L. J. de Bekker, James G. McDonald, for the committee on Mexico"—you assisted in the preparation of this article?

Mr. DE BEKKER. I just gave the details in that memorandum.

The CHAIRMAN. I desire to identify it as the article concerning which you are testifying.

Mr. DE BEKKER. Oh, yes.

The CHAIRMAN. I notice that in this article you state among other things:

> The only people in fact, Mr. President, who have been actively engaged in a shameless effort, by the publication of alleged atrocities and by the slander of the whole Mexican Nation, to force an intervention are a group of oil interests and mine owners who, by subsidies to bandits, are fomenting armed rebellion against the Government of Mexico, although bound by terms of the concessions under which they operate to regard themselves as Mexican citizens in the eyes of the law, and not to seek diplomatic aid in the settlement of their grievances or claims against the Mexican Government.

Now, you have referred in this memorandum to propaganda, and you have given the names of oil companies here. Were those the companies to which you referred in this statement?

Mr. DE BEKKER. Yes, sir.

The CHAIRMAN. Who were "actively engaged in a shameless effort, by the publication of alleged atrocities and by the slander of the whole Mexican Nation."

Mr. DE BEKKER. See the bulletion of the National Association for the Protection of American Rights in Mexico and I think you will find that statement amply confirmed, Senator.

The CHAIRMAN. To what date did you have reference?

Mr. DE BEKKER. Almost any date, I think, Senator; at least two numbers.

The CHAIRMAN. Do you happen to have a copy?

Mr. DE BEKKER. I am not sure, Senator. I would be very glad to look in a moment. If I have not, there is no doubt it can be obtained.

The CHAIRMAN. You may be excused while you look.

Mr. DE BEKKER. Yes; thank you. I do not seem to have it, Senator, but I have no doubt Mr. Boynton can give it to you.

The CHAIRMAN. I have no doubt he can, sir, and Mr. Boynton is here under supoena for the purpose of giving us anything for which we call, just exactly as you are.

Mr. DE BEKKER. I thank you.

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The CHAIRMAN. I might say to you, for your satisfaction at this time, that you refer to the chairman of the committee as being familiar with the literature sent out by this association.

Mr. DE BEKKER. I presume you would be.

The CHAIRMAN. Well, I will inform you I have never read a copy of their bulletin.

Mr. DE BEKKER. Oh, I beg your pardon.

The CHAIRMAN. That is for your information.

Mr. DE BEKKER. I thank you.

The CHAIRMAN. You are cooperating with Mr. McDonold. Have you seen that letter of Mr. McDonald's [handing letter to witness]?

Mr. DE BEKKER. I think I have seen it, or a copy of it, Senator. However, it is signed by Mr. McDonald.

The CHAIRMAN. Well, I know it is, and you have testified, as he has, that you and he were acting for the League of Free Nations Associations?

Mr. DE BEKKER. Yes, sir.

The CHAIRMAN. That is the reason I ask you whether you have seen this letter?

Mr. DE BEKKER. Yes, sir.

The CHAIRMAN. You say you have seen it or a copy of it?

Mr. DE BEKKER. I have seen it now at any rate, Senator.

The CHAIRMAN. Had you seen it before?

Mr. DE BEKKER. I am not positive about it.

The CHAIRMAN. Did you know of Mr. McDonald's request of this committee for a hearing for the League of Free Nations Assocaition's Mexican Committee?

Mr. DE BEKKER. Oh, yes; that was discussed between us.

The CHAIRMAN. You knew that?

Mr. DE BEKKER. Yes, sir.

The CHAIRMAN. Mr. McDonald expressed the hope there that "the Senate subcommittee will exercise more discretion in its selection of witnesses than did the House Committee on Rules. Denunciations of a Government with which the United States continues to be in friendly treaty relations by a go-between for various bandit chiefs were widely exploited through the press recently, and as loyal Americans we hope your committee will not lend itself to similar propaganda."

Mr. Gates has been before this committee—I am not sure that you are aware of that fact—for the purpose of placing in the record certain documents for which the committe called, consisting of correspondence and alleged correspondence between Mr. Gates and the Secretary of War. He has not as yet been questioned by this committee upon any other subject. You have been subpœnaed because, in answer to his request, as chairman, a letter was written Mr. McDonald and an answer received from him indicating that the committee he desired to have before this subcommittee had dispersed and was at other places and that only Dr. Inman was available. Immediately upon receipt of that note, subpœnas were sent out for the gentleman whom Mr. McDonald had indicated he desired to have appear here, and also a subpœna for Mr. McDonald. As soon as your name developed in connection with this matter, indicating that you might be able to give us some information with reference

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to this propaganda, you were subpœnaed. Mr. Boynton and other members of the committee of the Association for the Protection of American Rights, I believe they call themselves, are under subpœna here. Mr. Boynton has brought various papers and documents and newspaper clippings and other material, which he has placed at the disposal of the members of the committee and which they will use at the proper time. The committee is desirous of being advised at this time with reference to the article concerning which you are being now interrogated, as to what foundation you have for the statement made here, to which your attention has just been called, the "Publication of alleged atrocities" and "By the slander of the whole Mexican nation." You have referred me in answer to that question to a copy of the bulletin of the——

Mr. DE BEKKER. The last two issues of the Bulletin, Senator, contain stories of that character.

The CHAIRMAN. Alleged atrocities?

Mr. DE BEKKER. Well, I do not know whether they were actually atrocities or not, Senator, so I say alleged, not being sure whether they were atrocities.

The CHAIRMAN. Why did you use that term, Mr. de Bekker, in your letter to the President?

Mr. DE BEKKER. Because I am very doubtful, and I would be very much distressed, if they were true. There are, unfortunately, atrocities on both sides. The Mexican Government, as you probably know, has very lately, through its secretary of the interior, compiled a list of outrages committed or alleged to be committed by Americans upon Mexicans. If you have not heard of that or have not seen it I should be very glad to see that a translation is sent to you.

The CHAIRMAN. I would be very glad to have you send a translation. I think it would be very indicative of the business in which you are engaged, at any rate.

Mr. DE BEKKER. I think it would, Senator. You are right.

The CHAIRMAN. Yes, sir.

Mr. DE BEKKER. I desire to have the truth on both sides told.

The CHAIRMAN. That is the purpose of the committee, and we will have it.

Mr. DE BEKKER. Good.

The CHAIRMAN. The foundation for your statement that this company or this association is engaged in the slander of the whole Mexican nation is the same as that which you have just given, is it?

Mr. DE BEKKER. Oh, Senator, I have given you in that memorandum I just read several specific instances of the same character.

The CHAIRMAN. What? I have not the memorandum before me.

Mr. DE BEKKER. Well, the Altendorf rot that has been going through the Sunday papers, carrying the informata of the Association for the Protection of American Rights in Mexico.

The CHAIRMAN. Anything else you have in mind?

Mr. DE BEKKER. Well, I might be able to help you out in something else, Senator.

The CHAIRMAN. Your assistance is all we are seeking, sir.

Mr. DE BEKKER. That is very kind. Is Mr. Boynton present?

Mr. BOYNTON. I am.

The CHAIRMAN. Mr. Boynton, have you copies of your last two bulletins?

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Mr. BOYNTON. I think I have.

The CHAIRMAN. Furnish them to Mr. de Bekker, then, will you?

Mr. DE BEKKER. If you care, Senator, there are further details in regard to the Creel article [handing paper to the chairman].

The CHAIRMAN. If you desire to read any portion of it yourself, sir, you may do so in connection with your testimony. I have no desire to read it. I have not read it and have no desire to read it. If I want Mr. Creel I will have him here.

Mr. BOYNTON. I am sorry to say I have the bulletins in this brief case almost every day, but they do not seem to be here this morning. I can have them in a few moments.

The CHAIRMAN. It seems to be a remarkable coincidence. Possibly, one of you may be able to discover them.

Mr. DE BEKKER. I apologize, Senator. I had no intention of slipping up on it.

Here is an article on the invasion of Mexico from the Arizona Labor Journal recently.

The CHAIRMAN. To what has that reference? I was asking you about your statement as to "the slander of the whole Mexican nation."

Mr. DE BEKKER. I had in mind the issue of the bulletin in question which contained an alleged refutation of the report of conditions in Mexico made by the Mexican ambassador when he returned, and I do not remember the text of it, but I will be very glad——

Senator BRANDEGEE. When he returned from where?

Mr. DE BEKKER. When he returned to Washington, Senator.

Senator BRANDEGEE. From where?

Mr. DE BEKKER. From Mexico.

Senator BRANDEGEE. When was that?

Mr. DE BEKKER. That was about two months ago, I should say. He gave out a statement at that time to the general effect that conditions were much better now than in the past.

The CHAIRMAN. We will have time to take up that bulletin matter a little later.

You write for the Nation, amongst other publications, do you?

Mr. DE BEKKER. At times; yes, sir.

The CHAIRMAN. In connection with the memorandum which you just read, I marked a paragraph in an article in the Nation for Saturday, August 9, 1919, apparently one of a series of articles written by yourself, headed "The plot against Mexico—III, by L. J. de Bekker." On page 164 of that publication, appears this quotation from Washington, a dispatch by the Associated Press, which you read into the record a short time ago in this memorandum which you had, as follows:

WILSON TO END PLOT AGAINST MEXICO.

[By the Associated Press.]

WASHINGTON.—Convinced that powerful influences are at work to force intervention in Mexico, administration officials were to-day considering just what steps shall be taken to bring the agitation to an end. * * * President Wilson is said to be determined to stop the circulation of inflammatory rumors, and to take legal steps, if necessary.

You recall that quotation?

Mr. DE BEKKER. Yes, sir.

The CHAIRMAN. You have used it here now?

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Mr. DE BEKKER. Yes, sir.

The CHAIRMAN. I notice in this article published on August 9 that you say:

Careful reading of recent anti-Mexican oil propaganda shows that the press agency desires to impress four points on the public: (1) There is no plot against Mexico; (2) the plot against Mexico was discovered or invented by an author of artistic temperament; (3) the oil men are spending only $30,000 a month in maintaining armed rebellion against the legitimate and recognized Government of Mexico through subsidies to the bandit Pelaez, and not $200,000 a month as they told the American Embassy in Mexico City; (4) the oil interests are really engaged in missionary work in Mexico, seeking rather to benefit the downtrodden peon than to exploit the natural wealth of the country for selfish purposes. These statements may seem contradictory, but they can be reconciled easily by any mind which has been thoroughly lubricated with petroleum. For my part, I rarely express doubt at any statement a press agent may make. It seems so useless. But points 1 and 2 are flatly denied in a document which is entitled to consideration.

Then you follow with this quotation I have read from a Washington dispatch. Now, in this article, Mr. de Bekker, I note there is no date to the telegram itself.

Mr. DE BEKKER. Yes, sir.

The CHAIRMAN. That statement was sent out three years ago, in 1916, was it not? What was your purpose in quoting the telegram without the date?

Mr. DE BEKKER. I thought it would be interesting to see someone come along with a denial such a telegram had ever been sent, Senator.

The CHAIRMAN. You thought you possibly were the only one who had noticed the telegram?

Mr. DE BEKKER. I thought it might well have been forgotten. In fact, I think it has been.

The CHAIRMAN. You did not know it had caused comment and answers at the time it was sent out?

Mr. DE BEKKER. I have the article from the Evening Post, Senator, which that is quoted from, giving the date.

The CHAIRMAN. Yes, sir.

Mr. DE BEKKER. And I believe closing just about that time.

The CHAIRMAN. Do you remember that at about this same date—I have not the date of it here as I only have your article before me, and as the telegram there has no date I can not give the exact date—can you give me the date?

Mr. DE BEKKER. Of what, Senator?

The CHAIRMAN. Of this telegram that we are just discussing.

Mr. DE BEKKER. March 25, 1916, I believe it was.

The CHAIRMAN. Has that date any significance for you at all?

Mr. DE BEKKER. I do not quite get you, Senator.

The CHAIRMAN. Where was Gen. Pershing at that time?

Mr. DE BEKKER. Oh, the article that I have used in obtaining that material was written probably about the time of the Pershing expedition. In all probability that was the purpose of the article.

The CHAIRMAN. You did not publish all of this telegram, did you?

Mr. DE BEKKER. No, sir.

The CHAIRMAN. There was some——

Mr. DE BEKKER. It is published in such a way as to indicate there have been deleted passages.

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The CHAIRMAN. Yes; there is a deleted passage in it. Do you know whether the President called the newspaper men together at the White House or at the State Department on or about that date, and that, that was what he said to them, what was referred to in this telegram?

Mr. DE BEKKER. I should think, Senator, that the Washington newspaper men might be able to tell you definitely. I can not. I was not in Washington.

The CHAIRMAN. I am asking you because you keep track of this.

Mr. DE BEKKER. I was not in Washington at this time and do not know how the matter came out.

The CHAIRMAN. You happened to discover this telegram?

Mr. DE BEKKER. I happened to have written it once before. There [handing paper] is a part of the article. That is the reason I happened to discover it. There is the first part of it.

The CHAIRMAN. This is an article. This is not the telegram, or the date.

Mr. DE BEKKER. But you find the telegram quoted in the article, Senator.

The CHAIRMAN. Yes; that is one of your articles.

Mr. DE BEKKER. Quite true.

The CHAIRMAN. I am trying to identify this telegram, and you are familiar, apparently, with Mexico, and writing upon Mexico for the information of the public, and I am seeking now to show your knowledge, and to acquire some information from you if I can.

Mr. DE BEKKER. That is very flattering, Senator.

The CHAIRMAN. This is the only portion of this telegram on what occurred at that time here with reference to the news that made any particular impression on you, is it?

Mr. DE BEKKER. At any rate, Senator, it is the only portion I quoted in this article in the New York Evening Post published shortly after.

The CHAIRMAN. And it is the only portion that you quoted in this article published in the Nation?

Mr. DE BEKKER. Quite so.

The CHAIRMAN. Have you ever seen this House document, printed under date of June 20?

Mr. DE BEKKER. No, sir.

The CHAIRMAN. You have never seen that?

Mr. DE BEKKER. No, sir.

Senator BRANDEGEE. What year?

The CHAIRMAN. 1916. This telegram, Mr. de Bekker had stated was published on the 25th day of March, 1916. Columbus was raided on the 9th of March; Pershing was in Mexico at this time. This is a House document published——

Senator BRANDEGEE. You had better give the record of it.

The CHAIRMAN. I will give it in a moment. I want to get the thing together. This is a House document published shortly after June 20, and is a note of the Secretary of State of the United States to the Secretary of Foreign Relations of the de facto government of Mexico. It is House Document No. 1237, Sixty-fourth Congress,

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first session. Note of the Secretary of State of the United States to the Secretary of Foreign Relations of the de facto government of Mexico, dated June 20, 1916, Washington, Government Printing Office, 1916, and is headed and dated "Department of State, Washington, June 20, 1916."

You say you have never read it?

Mr. DE BEKKER. Senator, I very rarely read documents sent out by the House in that form.

The CHAIRMAN. Would you consider that the Secretary of State of the United States would be guilty of this alarming propaganda and slanderous articles upon Mexico which you have been testifying had been given out by the Association for the Protection of American Rights in Mexico?

Mr. DE BEKKER. I should say, Senator, that you are trying to cross-examine me on a subject on which I have frankly confessed complete ignorance at this moment.

The CHAIRMAN. No; I am simply asking your opinion as to whether you think that he would be guilty of it.

Mr. DE BEKKER. I decline to express any opinion that would be either derogatory or flattering to the Secretary of State. I have no interest in politics, Senator.

The CHAIRMAN. Nor have I. We are not discussing politics, and this is not a political question we have here.

Mr. DE BEKKER. But I can not express an opinion as to a document I have not read.

The CHAIRMAN. Your opinion as to the document is not asked, or called for.

Mr. DE BEKKER. I beg your pardon.

The CHAIRMAN. Your article in The Nation, in which you used this statement coming from Washington on the 25th of March, 1916, was not intended to be verified by this telegram which you quote?

Mr. DE BEKKER. It was intended, Senator, if I may say so, simply to indicate that the President of the United States had made the charge that there were powerful influences at work to bring about intervention in Mexico, and that he was then opposed to the idea.

The CHAIRMAN. And still you recall now that at that time Pershing was in Mexico, do you not?

Mr. DE BEKKER. I do not recall the exact date of Mr. Pershing having gone to Mexico, Senator. I will be willing to take your word for it, but I realize he went in to get Villa, and great man that he is, and eminent soldier that he is, he came out without having gotten him, and I do not think your next invasion will succeed any better.

The CHAIRMAN. Of course, your opinion is very valuable to the committee.

Mr. DE BEKKER. I thank you for that, sir.

The CHAIRMAN. After consulting with my colleague on the committee present, I will read you a note and get it into the record at this time. This is a note of the Secretary of State of June 20, 1916, following this Associated Press telegram which you have quoted now into your statement to us, and in your article in The Nation, which Associated Press telegram you have stated was dated March 25, 1916.

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The note is as follows:

DEPARTMENT OF STATE,
Washington, June 20, 1916.

SIR: I have read your communication, which was delivered to me on May 22, 1916, under instructions of the chief executive of the de facto Government of Mexico, on the subject of the presence of American troops in Mexican territory, and I would be wanting in candor if I did not, before making answer to the allegations of fact and the conclusions reached by your Government, express the surprise and regret which have been caused this Government by the discourteous tone and temper of this last communication of the de facto Government of Mexico.

The Government of the United States has viewed with deep concern and increasing disappointment the progress of the revolution in Mexico. Continuous bloodshed and disorders have marked its progress. For three years the Mexican Republic has been torn with civil strife; the lives of Americans and other aliens have been sacrificed; vast properties developed by American capital and enterprise have been destroyed or rendered nonproductive; bandits have been permitted to roam at will through the territory contiguous to the United States and to seize, without punishment or without effective attempt at punishment, the property of Americans, while the lives of citizens of the United States who ventured to remain in Mexican territory or to return there to protect their interests have been taken, and in some insances barbarously taken, and the murderers have neither been apprehended nor brought to justice. It would be difficult to find in the annals of the history of Mexico conditions more deplorable than those which have existed there during these recent years of civil war.

It would be tedious to recount instance after instance, outrage after outrage, atrocity after atrocity, to illustrate the true nature and extent of the widespread conditions of lawlessness and violence which have prevailed. During the past nine minths in particular, the frontier of the United States along the lower Rio Grande has been thrown into a state of constant apprehension and turmoil because of frequent and sudden incursions into American territory and depredations and murders on American soil by Mexican bandits, who have taken the lives and destroyed the property of American citizens, sometimes carrying American citizens across the international boundary with the booty seized. American garrisons have been attacked at night, American soldiers killed and their equipment and horses stolen; American ranches have been raided, property stolen and destroyed, and American trains wrecked and plundered. The attacks on Brownsville, Red House Ferry, Progreso Post Office and Las Peladas, all occurring during September last, are typical. In these attacks on American territory, Carrancista adherents, and even Carrancista soldiers took part in the looting, burning, and killing. Not only were these murders characterized by ruthless brutality, but uncivilized acts of mutilation were perpetrated. Representations were made to Gen. Carranza, and he was emphatically requested to stop these reprehensible acts in a section which he has long claimed to be under the complete domination of his authority. Notwithstanding these representations and the promises of Gen. Nafarrete to prevent attacks along the international boundary, in the following month of October a passenger train was wrecked by bandits and several persons killed 7 miles north of Brownsville, and an attack was made upon United States troops at the same place several days later. Since these attacks leaders of the bandits well known both to Mexican civil and military authorities as well as to American officers, have been enjoying with immunity the liberty of the towns of northern Mexico. So far has the indifference of the de facto Government to these atrocities gone that some of these leaders, as I am advised, have received not only the protection of that Government, but encouragement and aid as well.

Depredations upon American persons and property within Mexican jurisdiction have been still more numerous. This Government has repeatedly requested in the strongest terms that the de facto Government safeguard the lives and homes of American citizens and furnish the protection which international obligation imposes to American interests in the northern States of Tamaulipas, Nuevo Leon, Coahuila, Chihuahua, and Sonora, and also in the States to the south. For example, on January 3 troops were requested to punish the bands of outlaws which looted the Cusi mining property, 80 miles west of Chihuahua, but no effective results came from this request. During the following week the bandit Villa, with his band of about 200 men, was operating with-

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out opposition between Rubio and Santa Ysabel, a fact well known to Carrancista authorities. Meanwhile a party of unfortunate Americans started by train from Chihuahua to visit the Cusi mines, after having received assurances from the Carrancista authorities in the State of Chihuahua that the country was safe and that a guard on the train was not necessary. The Americans held passports or safe conducts issued by the authorities of the de facto Government. On January 10 the train was stopped by Villa bandits and 18 of the American party were stripped of their clothing and shot in cold blood, in what is now known as "the Santa Ysabel massacre."

The CHAIRMAN. I will interject for the information of my colleague that Santa Ysabel is about 60 miles west of Chihuahua and is on the railroad running out from Chihuahua. The Carrancistas at that time were supposed to have quite a large garrison at the city of Chihuahua, and, as the Secretary of State here has stated, and as I know to be true, not only issued safe conducts to insure the American in charge of this party that he could go to perfect safety but that they had troops along the railroad, and that no armed guard was necessary, although they requested an armed guard of the Carrancista commander.

On January 10 the train was stopped by Villa bandits and—

I am repeating—

and 18 of the American party were stripped of their clothing and shot in cold blood, in what is known as the Santa Ysabel massacre. Gen. Carranza stated to the agent of the Department of State that he had issued orders for the immedite pursuit, capture, and punishment of those responsible for this atrocious crime, and appealed to this Government and to the American people to consider the difficulties of according protection along the railroad where the massacre occurred. Assurances were also given by Mr. Arredondo, presumably under instructions from the de facto Government, that the murderers would be brought to justice, and that steps would also be taken to remedy the lawless conditions existing in the State of Durango. It is true that Villa, Castro, and Lopez were publicly declared to be outlaws and subject to apprehension and execution, but so far as known only a single man personally connected with this massacre has been brought to justice by Mexican authorities. Within a month after this barbarous slaughter of inoffensive Americans it was notorious that Villa was operating within 20 miles of Cusihuiriachic, and publicly stated that his purpose was to destroy American lives and property.

Despite repeated and insistent demands that military protection should be furnished to Americans, Villa openly carried on his operations, constantly approaching closer and closer to the border. He was not intercepted, nor were his movements impeded by troops of the de facto Government, and no effectual attempt was made to frustrate his hostile designs against Americans. In fact, as I am informed, while Villa and his band were slowly moving toward the American frontier in the neighborhood of Columbus, N. Mex., not a single Mexican soldier was seen in his vicinity. Yet the Mexican authorities were fully cognizant of his movements, for on March 6, as Gen. Gavira publicly announced, he advised the American military authorities of the outlaw's approach to the border, so that they might be prepared to prevent him from crossing the boundary. Villa's unhindered activities culminated in the unprovoked and cold-blooded attack upon American soldiers and citizens in the town of Columbus on the night of March 9, the details of which do not need repetition here in order to refresh your memory with the heinousness of the crime. After murdering, burning, and plundering, Villa and his bandits, fleeing south, passed within sight of the Carrancista military post at Casas Grandes, and no effort was made to stop him by the officers and garrison of the de facto Government stationed there.

In the face of these depredations not only on American lives and property on Mexican soil but on American soldiers, citizens, and homes on American territory, the perpetrators of which Gen. Carranza was unable or possibly considered it inadvisable to apprehend and punish, the United States had no recourse other than to employ force to disperse the bands of Mexican outlaws who were with increasing boldness systematically raiding across the inter-

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national boundary. The marauders engaged in the attack on Columbus were driven back across the border by American cavalry, and subsequently, as soon as a sufficient force to cope with the band could be collected, were pursued into Mexico in an effort to capture or destroy them. Without cooperation or assistance in the field on the part of the de facto Government, despite repeated requests by the United States, and without apparent recognition on its part of the desirability of putting an end to these systematic raids or of punishing the chief perpetrators of the crimes committed, because they menaced the good relations of the two countries, American forces pursued the lawless bands as far as Parral, where the pursuit was halted by the hostility of Mexicans, presumed to be loyal to the de facto Government, who arrayed themselves on the side of outlawry and became in effect the protectors of Villa and his band.

In this manner and for these reasons have the American forces entered Mexican territory. Knowing fully the circumstances set forth, the de facto Government can not be blind to the necessity which compelled this Government to act, and yet it has seen fit to recite groundless sentiments of hostility toward the expedition and to impute to this Government ulterior motives for the continued presence of American troops on Mexican soil. It is charged that these troops crossed the frontier without first obtaining the consent or permission of the de facto Government. Obviously, as immediate action alone could avail, there was no opportunity to reach an agreement (other than that of March 10–13 now repudiated by Gen. Carranza) prior to the entrance of such an expedition into Mexico if the expedition was to be effective. Subsequent events and correspondence have demonstrated to the satisfaction of this Government that Gen. Carranza would not have entered into any agreement providing for an effective plan for the capture and destruction of the Villa bands. While the American troops were moving rapidly southward in pursuit of the raiders, it was the form and nature of the agreement that occupied the attention of Gen. Carranza rather than the practical object which it was to attain—the number of limitations that could be imposed upon the American forces to impede their progress rather than the obstacles that could be raised to prevent the escape of the outlaws. It was Gen. Carranza who suspended, through your note of April 12, all discussions and negotiations for an agreement along the lines of the protocols between the United States and Mexico concluded during the period 1882–1896, under which the two countries had so successfully restored peaceful conditions on their common boundary.

It may be mentioned here that, notwithstanding the statement in your note that "the American Government gave no answer to the note of the 12th of April," this note was replied to on April 14, when the department instructed Mr. Rodgers by telegraph to deliver this Government's answer to Gen. Carranza. Shortly after this reply the conferences between Gens. Scott, Funston, and Obregon began at El Paso, during which they signed on May 2 a project of a memorandum ad referendum regarding the withdrawal of American troops. As an indication of the alleger bad faith of the American Government, you state that though Gen. Scott declared in this memorandum that the destruction and dispersion of the Villa band "had been accomplished," yet American forces are not withdrawn from Mexico. It is only necessary to read the memorandum, which is in the English language, to ascertain that this is clearly a misstatement, for the memorandum states that "the American punitive expeditionary forces have destroyed or dispersed many of the lawless elements and bandits, * * * or have driven them far into the interior of the Republic of Mexico," and further, that the United States forces were then "carrying on a vigorous pursuit of such small numbers of bandits or lawless elements as may have escaped." The context of your note gives the impression that the object of the expedition being admittedly accomplished, the United States had agreed in the memorandum to begin the withdrawal of its troops.

The memorandum shows, however, that it was not alone on account of partial dispersion of the bandits that it was decided to begin the withdrawal of American forces, but equally on account of the assurances of the Mexican Government that their forces were "at the present time being agumented and strengthened to such an extent that they will be able to prevent any disorders occuring in Mexico that would in any way endanger American territory," and that they would "continue to diligently pursue, capture, or destroy any lawless bands of bandits that may still exist or hereafter exist in the northern part of Mexico," and that it would "make a proper distribution of such of its forces as may be necessary to prevent the possibility of invasion of American territory from

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Mexico." It was because of these assurances and because of Gen. Scott's confidence that they would be carried out that he stated in the memorandum that the American forces would be "gradually withdrawn." It is to be noted that, while the American Government was willing to ratify this agreement, Gen. Carranza refused to do so, as Gen. Obregon stated, because, among other things, it imposed improper conditions upon the Mexican Government.

Notwithstanding the assurances in the memorandum, it is well known that the forces of the de facto Government have not carried on a vigorous pursuit of the remaining bandits and that no proper distribution of forces to prevent the invasion of American territory has been made, as will be shown by the further facts hereinafter set forth. I am reluctant to be forced to the conclusion which might be drawn from these circumstances that the de facto Government, in spite of the crimes committed and the sinister designs of Villa and his followers, did not and does not now intend or desire that these outlaws should be captured, destroyed, or dispersed by American troops or, at the request of this Government, by Mexican troops.

Mr. DE BEKKER. Who was the Seceretary of State, Senator, if I might ask?

The CHAIRMAN. Robert Lansing.

Mr. DE BEKKER. Was it Mr. Lansing who was instrumental in recognizing the present Government of Mexico? I observe that he is addressing there the de facto Government of Gen. Carranza. At the present time he addresses the constitutionalist government and President Carranza.

Senator, I admire you, sir. You are trying to lead me into an attack on the President of the United States for having recognized a government concerning which he allowed his Secretary of State to make that denouncement when it was a de facto government. I decline to be caught in any trap, Senator.

The CHAIRMAN. I have noticed in my somewhat varied experience that a man who is always suspicious bears watching.

Mr. DE BEKKER. Quite right.

The CHAIRMAN. There is no trap being laid for you at all, sir. I will disclose my purpose, if you do not understand it, when I get through reading the document I intend now to read into the record.

Mr. DE BEKKER. I beg your pardon, Senator; I had not intended to interrupt you.

The CHAIRMAN. I will pause here, however, to say that Secretary Lansing was the Secretary of State January 6, 1916, and as Secretary of State sent a message to the Senate of the United States in answer to a request of the Senate concerning Mexico and the recognition of Carranza by this Government, which report was indorsed as follows:

The report of the Secretary of State has my approval.

WOODROW WILSON, *White House.*

Mr. DE BEKKER. I see.

The CHAIRMAN (continuing the reading):

While the conferences at El Paso were in progress, and after the American conferees had been assured on May 2 that the Mexican forces in the northern part of the Republic were then being augmented so as to be able to prevent any disorders that would endanger American territory, a band of Mexicans, on the night of May 5, made an attack at Glenn Springs, Tex., about 20 miles north of the border, killing American soldiers and civilians, burning and sacking property, and carrying off two Americans as prisoners. Subsequent to this event, the Mexican Government, as you state, "gave instructions to Gen. Obregon to notify that of the United States that it would not permit the further passage of American troops into Mexico on this account, and that orders had been given to all military commanders along the frontier not to

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consent to same." This Government is, of course, not in a position to dispute the statement that these instructions had been given to Gen. Obregon, but it can decisively assert that Gen. Obregon never gave any such notification to Gen. Scott or Gen. Funston or, so far as known, to any other American official. Gen. Obregon did, however, inquire as to whether American troops had entered Mexico in pursit of the Glenn Springs raiders, and Gen. Funston stated that no orders had been issued to American troops to cross the frontier on account of the raid, but this statement was made before any such orders had been issued, and not afterwards, as the erroneous account of the interview given in your note would appear to indicate. Moreover, no statement was made by the American generals that "no more American troops would cross into our territory."

On the contrary, it was pointed out to Gen. Obregon and to Mr. Juan Amador, who was present at the conefrence, and pointed out with emphasis, that the bandits De la Rosa and Pedro Vino, who had been instrumental in causing the invasion of Texas above Brownsville, were even then reported to be arranging in the neighborhood of Victoria for another raid across the border, and it was made clear to Gen. Obregon that if the Mexican Government did not take immediate steps to prevent another invasion of the United States by these marauders, who were frequently seen in the company of Gen. Nafarrete, the Constitutionalist commander, Mexico would find in Tamaulipas another punitive expedition similar to that then in Chihuahua. American troops crossed into Mexico on May 10, upon notification to the local military authorities, under the repudiated agreement of March 10–13, or in any event in accordance with the practice adopted over 40 years ago, when there was no agreement regarding pursuit of marauders across the international boundary. These troops penetrated 168 miles into Mexican territory in pursuit of the Glenn Springs marauders without encountering a detachment of Mexican troops or a single Mexican soldier. Further discussion of this raid, however, is not necessary, because the American forces sent in pursuit of the bandits recrossed into Texas on the morning of May 22, the date of your note under consideration—a further proof of the singleness of purpose of this Government in endeavoring to quell disorder and stamp out lawlessness along the border.

During the continuance of the El Paso conferences, Gen. Scott, you assert, did not take into consideration the plan proposed by the Mexican Government for the protection of the frontier by the reciprocal distribution of troops along the boundary. This proposition was made by Gen. Obregon a number of times, but each time conditioned upon the immediate withdrawal of American troops, and the Mexican conferees were invariably informed that immediate withdrawal could not take place, and that therefore it was imopssible to discuss the project on that basis.

I have noted the fact that your communication is not limited to a discussion of the deplorable conditions existing along the border and their important bearing on the peaceful relations of our Governments, but that an effort is made to connect it with other circumstances in order to support, if possible, a mistaken interpretation of the attitude of the Government of the United States toward Mexico. You state in effect that the American Government has placed every obstacle in the way of attaining the pacification of Mexico, and that this is shown by the volume of diplomatic representations in behalf of American interests which constantly impede efforts to reorganize the political, economical, and social conditions of the country; by the decided aid lent at one time to Villa by American officers and by the Department of State; by the aid extended by the American Catholic clergy to that of Mexico; by the constant activity of the American press in favor of intervention and the interests of American business men; by the shelter and supply of rebels and conspirators on American territory; by the detention of shipments of arms and munitions purchased by the Mexican Government; and by the detention of machinery intended for their manufacture.

In reply to this sweeping charge, I can truthfully affirm that the American Government has given every possible encouragement to the de facto Government in the pacification and rehabilitation of Mexico. From the moment of its recognition it has had the undivided support of this Government. An embargo was placed upon arms and ammunition going into Chihuahua, Sonora, and Lower California, in order to prevent their falling into the hands of the armed opponents of the de facto Government. Permission has been granted from time to time, as requested, for Mexican troops and equipment to traverse American territory from one point to another in Mexico in order that the operations of

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Mexican troops against Villa and his forces might be facilitated. In view of these friendly acts, I am surprised that the de facto Government has construed diplomatic representations in regard to the unjust treatment accorded American interests, private assistance to opponents to the de facto Government by sympathizers in a foreign country, and the activity of a foreign press as interference by the United States Government in the domestic politics of Mexico. If a denial is needed that this Government has had ulterior and improper motives in its diplomatic representations, or has countenanced the activities of American sympathizers and the American press opposed to the de facto Government, I am glad most emphatically to deny it It is, however, a matter of common knowledge that the Mexican press has been more active than the press in the United States in endeavoring to inflame the two peoples against each other and to force the two countries into hostilities.

With the power of censorship of the Mexican press so rigorously exercised by the de facto Government, the responsibility for this activity can not, it would seem, be avoided by that Government, and the issue of the appeal of Gen. Carranza himself, in the press of March 12, calling upon the Mexican people to be prepared for any emergency which might arise, and intimating that war with the United States was imminent, evidences the attitude of the de facto Government toward these publications. It should not be a matter of surprise that after such manifestations of hostile feeling the United States was doubtful of the purpose for which the large amount of ammunition was to be used which the de facto Government appeared eager to import from this country. Moreover, the policy of the de facto Government in refusing to cooperate and in failing to act independently in destroying the Villa bandits and in otherwise suppressing outlawry in the vicinity of the border so as to remove the danger of war materials, while passing southward through this zone, falling into the hands of the enemies of law and order is, in the opinion of this Government, a sufficient ground, even if there were no other, for the refusal to allow such materials to cross the boundary into the bandit-infested region. To have permitted these shipments without careful scrutiny would, in the circumstances, have been to manifest a sense of security which would have been unjustified.

Candor compels me to add that the unconcealed hostility of the subordinate military commanders of the de facto Government toward the American troops engaged in pursuing the Villa bands and the efforts of the de facto Government to compel their withdrawal from Mexican territory by threats and show of military force instead of by aiding in the capture of the outlaws constitute a menace to the saftely of the American troops and to the peace of the border. As long as this menace continues and there is any evidence of an intention on the part of the de facto Government or its military commanders to use force against the American troops instead of cooperating with them, the Government of the United States will not permit munitions of war or machinery for their manufacture to be exported from this country to Mexico.

As to the shelter and supply of rebels and conspirators on American territory, I can state that vigorous efforts have been and are being made by the agents of the United States to apprehend and bring to justice all persons found to be conspiring to violate the laws of the United States by organizing to oppose with arms the de facto Government of Mexico. Political refugees have undoubtedly sought asylum in the United States, but this Government has vigiliantly kept them under surveillance and has not hesitated to apprehend them upon proof of their criminal intentions, as the arrest of Gen. Huerta and others fully attests.

Having corrected the erroneous statements of fact to which I have adverted, the real situation stands forth in its true light. It is admitted that American troops have crossed the international boundary in hot pursuit of the Columbus raiders and without notice to or the consent of your Government, but the several protestations on the part of this Government by the President, by this Department, and by other American authorities, that the object of the expedition was to capture, destroy, or completely disperse the Villa bands of outlaws or to turn this duty over to the Mexican authorities when assured that it would be effectively fulfilled, have been carried out in perfect good faith by the United States. Its efforts, however, have been obstructed at every point; first, by insistence on a palpably useless agreement which you admit was either not to apply to the present expedition or was to contain impracticable restrictions on its organization and operation; then by actual opposition, encouraged and fostered by the de facto Government, to the further advance of the expedition into Villa territory, which was followed by the sudden suspension of all nego-

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tiations for an arrangement for the pursuit of Villa and his followers and the protection of the frontier; and finally by a demand for the immediate withdrawal of the American troops. Meantime, conditions of anarchy in the border States of Mexico were continually growing worse. Incursions into American territory were plotted and perpetrated; the Glenn Springs raid was successfully executed, while no effective efforts were being made by Gen. Carranza to improve the conditions and to protect American territory from constant threat of invasion.

In view of this increasing menace, of the inactivity of the Carranza forces, of the lack of cooperation in the apprehension of the Villa bands, and of the known encouragement and aid given to bandit leaders, it is unreasonable to expect the United States to withdraw its forces from Mexican territory or to prevent their entry again when their presence is the only check upon further bandit outrages and the only efficient means of protecting American lives and homes—safeguards which Gen. Carranza, though internationally obligated to supply, is manifestly unable or unwilling to give.

In view of the actual state of affairs as I have outlined it above, I am now in a position to consider the conclusions which you have drawn in your note under acknowledgment from the erroneous statements of fact which you have set forth.

Your Government intimates, if it does not openly charge, that the attitude of the United States is one of insincerity, distrust, and suspicion toward the de facto government of Mexico and that the intention of the United States in sending its troops into Mexico is to extend its sovereignty over Mexican territory, and not merely for the purpose of pursuing marauders and preventing future raids across the border. The de facto Government charges by implication which admits of but one interpretation that this Government has as its object territorial aggrandizement, even at the expense of a war of aggression, against a neighbor weakened by years of civil strife. The Government of the United States, if it had had designs upon the territory of Mexico, would have had no difficulty in finding during this period of revolution and disorder many plausible arguments for intervention in Mexican affairs. Hoping, however, that the people of Mexico would through their own efforts restore peace and establish an orderly government, the United States has awaited with patience the consummation of the revolution.

When the superiority of the revolutionary faction led by Gen. Carranza became undoubted, the United States, after conferring with six others of the American Republics, recognized unconditionally the present de facto Government. It hoped and expected that that Government would speedily restore order and provide the Mexican people and others, who had given their energy and substance to the development of the great resources of the Republic, opportunity to rebuild in peace and security their shattered fortunes.

This Government has waited month after month for the consummation of its hope and expectation. In spite of increasing discouragements, in spite of repeated provocations to exercise force in the restoration of order in the northern regions of Mexico, where American interests have suffered most seriously from lawlessness, the Government of the United States has refrained from aggressive action and sought by appeals and moderate, though explicit, demands to impress upon the de facto Government the seriousness of the situation and to arouse it to its duty to perform its international obligations toward citizens of the United States who had entered the territory of Mexico or had vested interests within its boundaries.

In the face of constantly renewed evidences of the patience and restraint of this Government in circumstances which only a government imbued with unselfishness and a sincere desire to respect to the full the sovereign rights and national dignity of the Mexican people would have endured, doubts and suspicions as to the motives of the Government of the United States are expressed in your communication of May 22, for which I can imagine no purpose but to impugn the good faith of this Government, for I find it hard to believe that such imputations are not universally known to be without the least shadow of justification in fact.

Can the de facto Government doubt that, if the United States had turned covetous eyes on Mexican territory, it could have found many pretexts in the past for the gratification of its desire? Can that Government doubt that months ago, when the war between the revolutionary factions was in progress, a much better opportunity than the present was afforded for American intervention, if such has been the purpose of the United States as the de facto

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Government now insinuates? What motive could this Government have had in refraining from taking advantage of such opportunities other than unselfish friendship for the Mexican Republic? I have of course given consideration to your argument that the responsibility for the present situation rests largely upon this Government. In the first place, you state that even the American forces along the border, whose attention is undivided by other military operations, "Find themselves physically unable to protect effectively the frontier on the American side."

Obviously, if there is no means of reaching bands roving on Mexican territory and making sudden dashes at night into American territory it is impossible to prevent such invasions unless the frontier is protected by a cordon of troops. No government could be expected to maintain a force of this strength along the boundary of a nation with which it is at peace for the purpose of resisting the onslaughts of a few bands of lawless men, especially when the neighboring State makes no effort to prevent these attacks. The most effective method of preventing raids of this nature, as past experience has fully demonstrated, is to visit punishment or destruction on the raiders. It is precisely this plan which the United States desires to follow along the border without any intention of infringing upon the sovereign rights of her neighbor, but which, although obviously advantageous to the de facto Government, it refuses to allow or even countenance. It is in fact protection to American lives and property about which the United States is solicitous and not the methods or ways in which that protection shall be accomplished. If the Mexican Government is unwilling or unable to give this protection by preventing its territory from being the rendezvous and refuge of murderers and plunderers, that does not relieve this Government from its duty to take all the steps necessary to safeguard American citizens on American soil. The United States Government can not and will not allow bands of lawless men to establish themselves upon its borders with liberty to invade and plunder American territory with impunity and, when pursued, to seek safety across the Rio Grande, relying upon the plea of their Government that the integrity of the soil of the Mexican Republic must not be violated.

The Mexican Government further protests that it has "made every effort on its part to protect the frontier," and that it is doing "all possible to avoid a recurrence of such acts." Attention is again invited to the well-known and unrestricted activity of De la Rosa, Ancieto Piscano, Pedro Vinos, and others in connection with border raids, and to the fact, as I am advised, up to June 4 De la Rosa was still collecting troops at Monterey for the openly avowed purpose of making attacks on Texan border towns, and that Pedro Vino was recruiting at other places for the same avowed purpose. I have already pointed out the uninterrupted progress of Villa to and from Columbus and the fact that the American forces in pursuit of the Glenn Springs marauders penetrated 168 miles into Mexican territory without encountering a single Carrancista soldier. This does not indicate that the Mexican Government is doing "all possible," this is not sufficient to prevent border raids, and there is every reason therefore why this Government must take such preventive measures as it deems sufficient.

It is suggested that injuries suffered on account of bandit raids are a matter of "pecuniary reparation," but "never the cause for American forces to invade Mexican soil." The precedents which have been established and maintained by the Government of the Mexican Republic for the last half century do not bear out this statement. It has grown to be almost a custom not to settle depredations of bandits by payments of money alone, but to quell such disorders and to prevent such crimes by swift and sure punishment.

The de facto Government finally argues that "if the frontier were duly protected from incursions from Mexico there would be no reason for the existing difficulty;" thus the de facto Government attempts to absolve itself from the first duty of any government, namely, the protection of life and property. This is the paramount obligation for which governments are instituted, and governments neglecting or failing to perform it are not worthy of the name. This is the duty for which Gen. Carranza, it must be assumed, initiated his revolution in Mexico and organized the present Government, and for which the United States Government recognized his Government as the de facto Government of Mexico. Protection of American lives and property, then, in the United States is, first, the obligation of this Government, and in Mexico is, first, the obligation of Mexico, and second, the obligation of the United States. In securing this protection along the common boundary the United States has

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a right to expect the cooperation of its neighboring Republic; and yet, instead of taking steps to check or punish the raiders, the de facto Government demurs and objects to measures taken by the United States. The Government of the United States does not wish to believe that the de facto Government approves these marauding attacks, yet as they continue to be made they show that the Mexican Government is unable to repress them. This inability, as this Government has had occasion in the past to say, may excuse the failure to check the outrages complained of, but it only makes stronger the duty of the United States to prevent them, for if the Government of Mexico can not protect the lives and property of Americans exposed to attack from Mexicans, the Government of the United States is in duty bound, so far as it can, to do so.

In conclusion, the Mexican Government invites the United States to support its "assurances of friendship with real and effective acts," which "can be no other than the immediate withdrawal of the American troops." For the reasons I have herein fully set forth this request of the de facto government can not now be entertained. The United States has not sought the duty, which has been forced upon it, of pursuing bandits who under fundamental principles of municipal and international law ought to be pursued and arrested and punished by Mexican authorities. Whenever Mexico will assume and effectively exercise that responsibility, the United States, as it has many times before publicly declared, will be glad to have this obligation fulfilled by the de facto government of Mexico. If, on the contrary, the de factor government is pleased to ignore this obligation and to believe that "in case of a refusal to retire these troops there is no further recource than to defend its territory by an appeal to arms," the Government of the United States would surely be lacking in sincerity and friendship if it did not frankly impress upon the de facto government that the execution of this threat will lead to the gravest consequences. While this Government would deeply regret such a result, it can not recede from its settled determination to maintain its national rights and to perform its full duty in preventing further invasions of the territory of the United States and in removing the peril which Americans along the international boundary have borne so long with patience and forbearance.

Accept, etc.,

ROBERT LANSING.

The CHAIRMAN. Do you know of any American, or any publication here which had gone any further in advocating, or suggesting, armed intervention in Mexico, than that spoken of by the Secretary of State?

Mr. DE BEKKER. I should say that Mr. Lansing has written an extremely able paper justifying the then intervention in Mexico, Senator, and if the facts he sets forth then were now true he might easily be called in here to explain why we have recognized the Constitutionalist Government of which Gen. Carranza is now president.

The CHAIRMAN. The act of recognition preceded this nearly a year—eight months prior.

Mr. DE BEKKER. They speak of them there as a "de facto" government; they speak of them now as the "Mexican" Government.

The CHAIRMAN. You place your own interpretation on that. I am not attempting to say what character of recognition this Government has given to Mexico.

Mr. DE BEKKER. I am indicating my belief that conditions are not quite now as they were then.

The CHAIRMAN. You spoke of recognition. Now recognition is a fact whether of a de facto or of a de jure government. Whether this Government has gone any further than it went on June 20 in the recognition of any government I have no knowledge—have you?

Mr. DE BEKKER. I assume there has been an exchange of ambassadors since that time and prior to that time they were merely diplomatic agents.

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The CHAIRMAN. You have some knowledge of the fact that this Government has extended some further or other recognition to the Mexican Government than existed at that time?

Mr. DE BEKKER. By sending an ambassador; yes.

The CHAIRMAN. That is your information. Do you know anything about it?

Mr. DE BEKKER. You know Mr. Fletcher has been sent down there.

The CHAIRMAN. I know he was sent down there, and I know he is not there now.

Mr. DE BEKKER. Yes.

The CHAIRMAN. So do you?

Mr. DE BEKKER. Yes

The CHAIRMAN. Then, as Mr. Fletcher is not there now, under your construction we would have withdrawn recognition from Mexico?

Mr. DE BEKKER. Not at all. I understood he was here on a leave of absence. If he had been withdrawn that would be different.

The CHAIRMAN. I am not passing on that. I simply asked you a question. Do you know of any efforts by any American or association of Americans, through publicity or otherwise, going any further than Mr. Lansing himself goes, warning that this Government is prepared to go in—calling attention to any such alleged atrocities, or constituting any greater slander upon the Mexican Government than is contained in the note I have just read?

Mr. DE BEKKER. Senator, I am not saying even that what that note contains is a slander. If you would oblige me in doing that, to say either that Secretary Lansing is mistaken or that he is making a false statement. I do not think he is mistaken. I am not saying he is making a false statement. What I am saying is Mr. Lansing has prepared an extremely strong state paper to justify the condition then existing, but I can not see why that should be used as a means to bolster up the intervention now projected. I can not see the relevancy of it, sir.

The CHAIRMAN. Do you know there is an intervention now projected?

Mr. DE BEKKER. The New York Sun, in the article you have there, said so.

The CHAIRMAN. Is that the only source of your information on the subject?

Mr. DE BEKKER. No, sir; the newspapers are full of it daily. The President of the United States said only yesterday, or a few days ago, that he was trying to keep the country out of a war and the Senate was apparently trying to get it into a war, in his Des Moines address.

Senator BRANDEGEE. With Mexico?

Mr. DE BEKKER. He did not specify.

Senator BRANDEGEE. Do you think he was referring to Mexico?

Mr. DE BEKKER. I can not read the mind of the President.

This morning the Washington Post gives a long story of an account of an interview with Gen. Pershing and his staff in which it is deliberately stated Gen. Pershing asked his staff to prepare for war specifically against Mexico and against Japan. The papers are full of these things, Senator.

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Senator BRANDEGEE. Do you know whether that is a true report of Gen. Pershing's views or not?

Mr. DE BEKKER. I could not give a reply there, Senator. It is signed by Ryley Grannon, a well-known political writer of Washington, and must be better known to you than to me.

Senator BRANDEGEE. Who do you think he is?

Mr. DE BEKKER. I don't know.

Senator BRANDEGEE. He is not known to me.

Mr. DE BEKKER. By reputation I would assume you had been reading the Washington Post, and know him better than I.

Senator BRANDEGEE. I doubt if he is a real person at all.

Mr. DE BEKKER. His words sound very real to me.

Senator BRANDEGEE. The words are there, of course. If you know who he is I would be glad to be introduced to him.

Mr. DE BEKKER. I think if you called up the office of the Washington Post——

Senator BRANDEGEE. I have done that, and been informed that there is no such person.

Mr. DE BEKKER. Then you are better informed that I, Senator.

Senator BRANDEGEE. Possibly as to his identity, but not better informed as to the facts.

The CHAIRMAN. Again to get back to our subject matter, in this article which you wrote to the President—I will use again your words: "The only people in fact, Mr. President, who have been actively engaged in a shameless effort, by the publication of alleged atrocities and by the slander of the whole Mexican nation, to force an intervention"—my question as to the slander was a hypothetical question whether you knew anything, if so, I would like to have it, which contains a more serious attack upon the Carranza Government or conditions in Mexico, anything now going on in the shape of propaganda from Mr. Boynton's company, or otherwise, than is contained in this article which you said you had never read, which I have just read to you.

Mr. DE BEKKER. I can not in the first place tell the extent to which Mr. Boynton's bureau is operating. I shall have to leave that——

The CHAIRMAN. You have accused American citizens, here, Mr. Witness, in a letter to the President which you are sending out now, of being guilty of the publication of alleged atrocities and by the slander of the whole Mexican nation of attempting to bring about an intervention. Now, if you can make good, I wish you would quit equivocating.

Mr. DE BEKKER. I beg your pardon, Senator, I do not equivocate.

The CHAIRMAN. Then give us the information for which I am asking.

Mr. DE BEKKER. Well, sir, I refer to the files of the daily papers, which are full of it.

The CHAIRMAN. Such interview as that of Ryley Grannon, to which you have referred, and the reported words of the President of the United States, but just——

Mr. DE BEKKER. Senator, I refer you again to the article in the New York Sun which you have before you, which gives the details.

The CHAIRMAN. And I ask you for any other information.

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Mr. DE BEKKER. That is quite sufficient.

The CHAIRMAN. It is?

Mr. DE BEKKER. You have the information in that memorandum.

The CHAIRMAN. I do not think so and I am seeking other information, and that is my question.

Mr. DE BEKKER. I say I will be glad to comply with your request and send you other matter.

The CHAIRMAN. I wish you would do that.

Mr. DE BEKKER. I will mail it to you.

The CHAIRMAN. And I wish you would call the attention of the committee to any slander upon Mexico.

Mr. DE BEKKER. I will subscribe to a clipping bureau, Senator, to make quite sure you don't miss anything.

The CHAIRMAN. This is all you know about it?

Mr. DE BEKKER. Oh, no.

The CHAIRMAN. All you have to sustain such an allegation is what you give here in this general conversation now, and the matter to which you refer?

Mr. DE BEKKER. I make the allegation in the letter to the President and I repeat it to you that I believe there is a plot, and I believe the President knows who is concerned in it, and I can not be driven out of that statement by any questions you may put, excellent lawyer as you are, Senator.

The CHAIRMAN. I am asking you for the information upon which you base such statements.

Mr. DE BEKKER. I am quoting the New York Sun, the daily press in its issues to-day and yesterday, and its issues to-morrow, which I promise you you shall receive in full.

The CHAIRMAN. Mr. de Bekker, how much are you receiving for this particular propaganda work?

Mr. DE BEKKER. I wrote you a letter, Senator, the other day to which I attached a jurat that I made when I thought you did not want to see me here. Did you receive that letter?

The CHAIRMAN. I received a letter.

Mr. DE BEKKER. That is a complete answer and I ask that that be read into the record.

The CHAIRMAN. No, sir; I shall not read it into the record, because I do not want to make any personal question between yourself and myself, or any other witness and myself, but before this investigation is over I will see, I think, that yourself and others will be satisfied concerning just such statements as you are making. I am affording you an opportunity to satisfy yourself. I am perfectly willing now that we should have any facts upon which you base any of the statements which you are using in sending out your propaganda material for the League of Free Nations Association, and that is what you are here for, to give us any facts that may be in your possession.

Mr. DE BEKKER. We send out nothing, Senator, that has not been received and compared in the most careful way, and we deal in facts only. We do not do it in an underhanded way. The matter is published to the world. We began by printing an advertisement in the leading trade papers, in the journalistic service, offering free service and sending it to three hundred and fifty papers. If any of them do not want it they will cut it off and we will send it where it is

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wanted. We are not taking refuge behind anonymous statements. We are not sending out anything that is not true, and to the best of my knowledge and belief we are not sending out anything that is exaggerated. I would be very glad, if you desire, to put you on our mailing list so you will get everything.

The CHAIRMAN. I think I am on the mailing list.

Mr. DE BEKKER. Are you on the mailing list?

The CHAIRMAN. Mr. McDonald, is seeing, I think, that I get everything.

Mr. DE BEKKER. I did not know he had promised that.

The CHAIRMAN. Mr. de Bekker, do you speak Spanish?

Mr. DE BEKKER. I am a one language man, Senator. I am like yourself.

The CHAIRMAN. Then you do not speak Spanish,

Mr. DE BEKKER. I do not speak Spanish. Oh, I can ask for what I want in a hotel, or anything.

The CHAIRMAN. When did you first become acquainted with Mexico?

Mr. DE BEKKER. I was in Mexico for the first time last winter.

The CHAIRMAN. 1919?

Mr. DE BEKKER. 1919.

The CHAIRMAN. Where did you go in Mexico while you were there?

Mr. DE BEKKER. Well, I went to Mexico by the way of Havana which, as you know, means stopping at Progreso, then going on to Vera Cruz. From Vera Cruz I went to Mexico City.

The CHAIRMAN. How?

Mr. DE BEKKER. By rail.

The CHAIRMAN. How long did you remain in Mexico City?

Mr. DE BEKKER. I should say four or five weeks, Senator.

The CHAIRMAN. Where did you go from Mexico City?

Mr. DE BEKKER. I made one little excursion out of Mexico City to Pueblo, and sometime later than that, in fact, just as I was on the point of coming north again, I went to a station some miles west of Guadalajara—I don't remember the name of it—and returned from there to Mexico City. I went to San Luis Potosi and from there to Tampico, and by sea to New York.

The CHAIRMAN. How did you go from Guadalajara west?

Mr. DE BEKKER. By train, as the guest of the President.

The CHAIRMAN. You do not remember the point to which you went?

Mr. DE BEKKER. The occasion of the visit was the opening of a new branch railway and it was some little Indian town about 90 miles west of Guadalajara. We remained in Guadalajara and simply went down to see the station opened. I don't remember the name.

The CHAIRMAN. You say you were traveling as the guest of the President, Mr. Carranza?

Mr. DE BEKKER. Yes, sir.

The CHAIRMAN. On his private car?

Mr. DE BEKKER. No; I was traveling in a private car, but the President, I believe, had two private cars for his own use.

The CHAIRMAN. In your other travels in Mexico, to Pueblo, how did you go?

Mr. DE BEKKER. I went in a first-class coach on that occasion.

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The CHAIRMAN. Who went with you?

Mr. DE BEKKER. My wife, Mr. Luis Cabrera, who afterwards became secretary of the treasury there, and his sister, Miss Cabrera.

The CHAIRMAN. And your other trips in Mexico were made how?

Mr. DE BEKKER. Which other trips?

The CHAIRMAN. How did you make them—that you have spoken of?

Mr. DE BEKKER. Well, I traveled from Habana by steamer.

The CHAIRMAN. But those in Mexico, I said—those, of which you have spoken.

Mr. DE BEKKER. I beg your pardon. I traveled in company with Mr. Cabrera to Pueblo on the train. I dined with his brother, who is governor of the State, I think on Sunday, and went back the following day. I went to Guadalajara and that small town farther west as a guest of Mr. Carranza, and from Mexico City I went to San Luis Potosi because I wanted to see Tampico before returning to the United States.

The CHAIRMAN. How did you go to San Luis Potosi?

Mr. DE BEKKER. By Pullman.

The CHAIRMAN. Who went with you?

Mr. DE BEKKER. My wife.

The CHAIRMAN. No one else?

Mr. DE BEKKER. No, sir.

The CHAIRMAN. Did you go to Tampico?

Mr. DE BEKKER. Yes, sir.

The CHAIRMAN. Who went with you?

Mr. DE BEKKER. My wife.

The CHAIRMAN. No one else?

Mr. DE BEKKER. No, sir.

The CHAIRMAN. Did you receive any compensation from Carranza while there?

Mr. DE BEKKER. You have my jurat on that. I received no compensation from President Carranza or any foreigner. You have my jurat on that.

The CHAIRMAN. You are a witness now.

Mr. DE BEKKER. I am a witness, but I have some rights even in a matter of this character.

The CHAIRMAN. You can decline to answer.

Mr. DE BEKKER. I have a copy of the letter here if you say you haven't it.

The CHAIRMAN. You can decline to answer.

Mr. DE BEKKER. I am not declining to answer.

The CHAIRMAN. Then content yourself with that.

Mr. DE BEKKER. I am not declining.

The CHAIRMAN. You know Mr. Weeks, you say?

Mr. DE BEKKER. Yes.

The CHAIRMAN. You know what business he is in?

Mr. DE BEKKER. I do; publisher.

The CHAIRMAN. And you are in correspondence with him?

Mr. DE BEKKER. I am.

The CHAIRMAN. And some of this material which you have been publishing you say you get from Mr. Weeks?

Mr. DE BEKKER. Yes, sir; from Mr. Weeks.

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The CHAIRMAN. And you are employed by the League of Free Nations, and practically their publicity man, I presume you call yourself?

Mr. DE BEKKER. I beg pardon; I do not call myself anything of the kind.

The CHAIRMAN. What is your position then?

Mr. DE BEKKER. I am simply a member of the committee on Mexico.

The CHAIRMAN. I gather from that, and from what Mr. McDonald stated, that you practically prepared all the articles, as he says, except those which he cut out with the shears from some papers, and that they were published without being passed on by any other member of this committee, excepting one article.

Mr. DE BEKKER. Mr. McDonald and I are jointly responsible for the activities of the society in that respect.

The CHAIRMAN. And you are under a salary from the society?

Mr. DE BEKKER. Precisely.

Senator BRANDEGEE. Are the other members of the committee on Mexican affairs under salary?

Mr. DE BEKKER. No; I have explained this salary part in this letter to the Senator, which he declines to read.

Senator BRANDEGEE. You are here giving testimony.

Mr. DE BEKKER. I would be glad to explain that matter to you.

Senator BRANDEGEE. No; I want to have you explain it for the record.

Mr. DE BEKKER. I would be very glad, Senator, to explain that for the record, with that as a foundation.

Senator BRANDEGEE. No; nobody can read letters to members of the committee and have them put in the record unless ordered by the committee.

Mr. DE BEKKER. I was first elected a member of the committee on Mexico, and at a meeting held some time after my election I was asked if I could give my entire time to the work of the committee, the other members of the committee being more or less occupied with matters that did not permit of their giving any time except such as necessary to attend conferences. And I agreed to do so.

Senator BRANDEGEE. I do not criticize it at all. It is perfectly legitimate.

Mr. DE BEKKER. There is nothing to criticize.

Senator BRANDEGEE. But you say you want to explain it.

Mr. DE BEKKER. All I want to make clear is that I am nothing more than a member of the committee, being paid for giving my entire time. I am not a secretary or a chairman or a publicity clerk, but merely a member of the committee.

Senator BRANDEGEE. You are a member of the committee under salary to give out articles. Whether you call it publicity or not, the articles are published.

Mr. DE BEKKER. Mr. McDonald and I together have general charge of that work; yes.

Senator BRANDEGEE. Is Mr. McDonald paid also?

Mr. DE BEKKER. I presume he is; but Mr. McDonald's salary is a matter I do not know anything about. There is no desire to conceal anything, Senator.

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Senator BRANDEGEE. No, no; but I do not quite understand the difference between writing articles and publishing them in a paper for a salary and being a publicity man for an organization, but there may be a distinction.

Senator, did you want to ask something?

The CHAIRMAN. No.

Senator BRANDEGEE. I did not want to interfere with your examination.

The CHAIRMAN. No.

Senator BRANDEGEE. You say nothing goes out except facts.

Mr. DE BEKKER. Not to my knowledge, Senator.

Senator BRANDEGEE. Now, when articles are sent to you which you approve and publish, do you investigate the statements of fact contained in those articles if you know nothing about them yourself——

Mr. DE BEKKER. Senator——

Senator BRANDEGEE. Wait a minute, please, until I ask the question before you start to answer—to ascertain whether the statements stated to be facts are really facts?

Mr. DE BEKKER. Well, we receive material for publication practically only from our own members or from Mr. Weeks, and I know Mr. Weeks quite well and am quite sure of his reliability and truthfulness on all matters.

Senator BRANDEGEE. Do you think that answers the question I asked you?

Mr. DE BEKKER. I am sorry. I did; and I will try to be more explicit if you will make it clearer.

Senator BRANDEGEE. I can not make it any clearer, but I will repeat the question, which is this: When you receive an article which is before you for your approval and publication, do you attempt to investigate the truth of what are alleged to be facts in that article?

Mr. DE BEKKER. In the case, for example, of an article sent to us by Mr. Norman Thomas we would weigh it with regard to the facts, and finding the facts, as we think, correctly stated, we are glad to use it. In the case of an article such as we send out from the Oil, Paint, and Drug Reporter dealing with the Mexican oil situation, we assume that the caption on the page carried its own proof of authenticity. Dr. Santaella being the chief of the petroleum commission of Mexico, we did not think it necessary to go behind Dr. Santaella. He is the greatest petroleum authority in Mexico. So, when we sent an article about the Huesteca concession of Mexico we knew that came from Mr. Weeks, published in the same publication, so we did not do more than arrange with the publishers to get some copies of it.

In every case it so happens matters submitted which we have sent out come from people whom we know perfectly well, Senator, and we certainly would not willingly send out matter the veracity of which could be questioned in any way.

Senator BRANDEGEE. I am not, of course, making the assertion that you send out anything you think is untrue, but you have stated that you send out nothing except the facts, and I wanted to know what pains you took to ascertain whether they were facts or not. Now, as I understand you, articles that come from certain sources you know are correct because of your knowledge of the people who wrote them, without attempting to investigate it?

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Mr. DE BEKKER. Yes; just as it would be in a great newspaper office, men whom we can trust.

Senator BRANDEGEE. Now you say you believe there is a plot to force armed intervention in Mexico.

Mr. DE BEKKER. I do, Senator.

Senator BRANDEGEE. You state that you believe that because articles are continually appearing in newspapers reciting alleged atrocities which occur in Mexico. When the chairman asks you if you have any evidence which makes you believe there is a plot, other than reading these newspaper articles, you say you have none other?

Mr. DE BEKKER. If you will read the article which the Senator has before him in the Nation you find that I have very specifically said, Senator, that the evidence of a plot is largely circumstantial, and you will recall, Senator, that I have promised more specific details of the atrocity stories in the daily press.

Senator BRANDEGEE. I have not read the article in the Nation.

Mr. DE BEKKER. The statement is there.

Senator BRANDEGEE. I am relying on your testimony here now. I can read the Nation any time, but I want it for the purpose of examining you here. As I understand it, at least one of the purposes is to find out what evidence there is, that there is a plot, or a conspiracy to force intervention in Mexico, and if there is one, who is in it. Now, you say it is a matter of belief with you, based upon circumstantial evidence, and one of these features of the circumstantial evidence is the prevalence of newspaper reports calling attention to atrocities in Mexico. Did you investigate systematically these newspaper reports calling attention to the alleged atrocities to ascertain whether they are real atrocities, or whether they are lies?

Mr. DE BEKKER. I wish that we had an organization large enough, Senator, to enable us to do that, but we are not large enough to permit of personal investigation.

Senator BRANDEGEE. You do not know of any disorders or atrocities in Mexico?

Mr. DE BEKKER. I am aware there are disorders in both countries.

Senator BRANDEGEE. I am not discussing disorders in this country. That is not the object of this committee and not our duty. We are not charged with investigating them. We are charged, however, with the duty of investigating what is the situation in Mexico. Now, you say you wish you had means to investigate the reports of the daily press as to the disorders and atrocities in Mexico. You mean by that, I assume, that you have not means to investigate them?

Mr. DE BEKKER. We have Mr. Weeks with whom we communicate when we want direct information from Mexico City, but the information you speak of now I think is a matter along the border. We have no means of investigating that.

Senator BRANDEGEE. I did not refer to atrocities along the border alone. I referred to all atrocities which are being perpetrated, or alleged to be perpertated, all over Mexico. Now, as I understand you, you have no means of investigating the various reports in the newspapers describing such atrocities, have you?

Mr. DE BEKKER. Well, we get denials from the Mexican papers on that, Senator, from time to time.

Senator BRANDEGEE. Of course, if you read the Mexican papers, but I mean on your own behalf.

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Mr. DE BEKKER. In some instances we have specific denials from Mr. Weeks.

Senator BRANDEGEE. Mr. Weeks, of course, does not spread himself all over Mexico to investigate every atrocity.

Mr. DE BEKKER. Well, the Mexican daily papers have correspondents all over Mexico. They are pretty good papers.

Senator BRANDEGEE. Have you any knowledge of the veracity or thoroughness of the investigation conducted by Mr. Weeks of the reported atrocities?

Mr. DE BEKKER. I would say, Senator, that Mr. Weeks is a highly intelligent and well-trained newspaper man who has before him the entire daily press of Mexico City, and to my mind he is an absolutely fair and impartial man.

Senator BRANDEGEE. Do you think the Mexican press is entirely fair and impartial in statements about these matters?

Mr. DE BEKKER. I do not believe you can say generally of any press that it is entirely fair.

Senator BRANDEGEE. You are claiming that a large part of the American press is not fair, are you not?

Mr. DE BEKKER. No; I do not think it can be said that the press of any country is completely above reproach.

Senator BRANDEGEE. Neither do I. But what has that got to do with it?

Mr. DE BEKKER. What I was going to say, Senator, if you will allow me, there are in Mexico City two really first-class papers, as we would regard them in the United States. I am speaking as a journalist now, well edited, full of news, and having press dispatches from all over Mexico. I think that statement is true of El Universal and Excelsior. Both of those have a high reputation in Mexico and in this country also. In addition to that is the paper which was reputed during the war to be pro-German, Democrata, and a Government organ which is a good paper, as far as a Government organ can be, El Pueblo; then there are some very sensational afternoon newspapers, published by revolutionary parties, and quite as abusive, in fact, a good deal more abusive, than any newspapers I have seen in our own country in political matters—very much more so. I remember talking to one called Revolucion.

Senator BRANDEGEE. I assume, Mr. de Bekker, there are many papers in Mexico. That has nothing to do with the question I asked you. What I asked you was before you send out an article to 350 or so newspapers in this country, giving what you consider to be a truthful picture of the situation in Mexico, whether you have any means of investigating the truth of the statements contained in the articles for which you are responsible, and which you send out, and your answer is that you rely largely upon Mr. Weeks, who is an editor of a Mexican newspaper.

Mr. DE BEKKER. I beg pardon, that is printed in English.

Senator BRANDEGEE. Well, printed in Mexico. I did not refer to the Mexican language.

Mr. DE BEKKER. It is a Mexican paper.

Senator BRANDEGEE. I have it here. That is what you have said, is it not?

Mr. DE BEKKER. I said we rely largely upon the character of the men who send the matter in, men personally known to us.

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Senator BRANDEGEE. Did you not say, and do you not say now, that Mr. Weeks is one of the principal men on whom you do rely?

Mr. DE BEKKER. For Mexican matters.

Senator BRANDEGEE. As to the truth of matters?

Mr. DE BEKKER. But Mr. Weeks only writes as of Mexican matters direct.

Senator BRANDEGEE. That is what I say.

Mr. DE BEKKER. We have great confidence in Mr. Weeks.

Senator BRANDEGEE. I say he is one of your main reliances as to the truth of the alleged atrocities?

Mr. DE BEKKER. If I knew the atrocities were true I would not say alleged. We do not know whether they are true or not. We do not send out that kind of matter.

Senator BRANDEGEE. I did not ask you that. I asked if Mr. Weeks was one of your main reliances as to the matters you state are alleged atrocities?

Mr. DE BEKKER. Mr. Weeks is one of our main reliances.

Senator BRANDEGEE. Who else?

Mr. DE BEKKER. As to Mexico no one else than those who have recently been in Mexico, several of them, Mr. Inman, Mr. Winton, Mr. Trowbridge, myself. We have all been in Mexico in the last year.

Senator BRANDEGEE. That is the evidence which you have as to the plot existing in this country to force armed intervention in Mexico.

Mr. DE BEKKER. All the evidence I personally have with regard to a plot in Mexico——

Senator BRANDEGEE. I do not mean a plot in Mexico. I mean a plot in this country.

Mr. DE BEKKER. I am talking about a plot in this country against Mexico.

Senator BRANDEGEE. You said a plot in Mexico.

Mr. DE BEKKER. That is covered in three articles published in The Nation.

Senator BRANDEGEE. Not having read the articles I am asking you to give it.

Mr. DE BEKKER. It is all here, Senator, right here.

Senator BRANDEGEE. I did not ask that. I want you to state it so the stenographer can take it down.

Mr. DE BEKKER. I will read it into the record.

Senator BRANDEGEE. I want you to state some of the matters.

Mr. DE BEKKER. Hand me the document.

The CHAIRMAN. You are a witness on the stand. You can not read a document unless the Senator asks you to.

Mr. DE BEKKER. I beg pardon, Senator. You read a long document in——

The CHAIRMAN. You will answer these questions.

Mr. DE BEKKER. I will answer them; yes.

The CHAIRMAN. Then answer the question asked by Senator Brandegee.

Senator BRANDEGEE. Give me circumstances that caused you to believe there is a plot in this country to force armed intervention in Mexico.

Mr. DE BEKKER. I would say for one thing, Senator Fall's presence as head of this committee, as shown in my letter to him.

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Senator BRANDEGEE. One minute. Who put up that plot?

Mr. DE BEKKER. I am sure I do not know who did that.

Senator BRANDEGEE. Do you mean to say that because the chairman of the Committee on Foreign Relations of the United States Senate appointed Senator Fall chairman of this committee, that is evidence of a plot to force armed intervention in Mexico?

Mr. DE BEKKER. That, I would say, is strong circumstantial evidence.

Senator BRANDEGEE. That is what you call strong circumstantial evidence?

The CHAIRMAN. You claimed immunity in your testimony. If you read that, you read it without any immunity. You are not going to read that into this record.

Mr. DE BEKKER. I see I am not.

The CHAIRMAN. I say you are not. You will get publicity in some other way.

Mr. DE BEKKER. I see the idea.

Senator BRANDEGEE. Do you know of any attempt by anybody in this country, especially any member of the Association for the Protection of American Rights in Mexico, to influence the press in favor of armed intervention in Mexico?

Mr. DE BEKKER. I should say that the association you speak of was organized very largely for the purpose of influencing the press.

Senator BRANDEGEE. I did not ask you what you should say it was organized for.

Mr. DE BEKKER. I believe, Senator, if you prefer it in that form.

Senator BRANDEGEE. I prefer it in the form I put it. Do you know of any man who is a member of the Association for the Protection of American Rights in Mexico, who has attempted to influence the press?

Mr. DE BEKKER. Oh, yes; Mr. Boynton.

Senator BRANDEGEE. Does he attempt to influence the press to force armed intervention in Mexico?

Mr. DE BEKKER. I did not say that he has attempted to influence the press to do that, but I say he has attempted to influence the press.

Senator BRANDEGEE. I asked you if you knew any member of the Association for the Protection of American Rights in Mexico, who has attempted to influence the press to advocate armed intervention in Mexico?

Mr. DE BEKKER. I believe that is true of the organization. I believe that is what the organization is for.

Senator BRANDEGEE. I did not ask you what you believed. I asked you if you know anyone who was attempting to influence the press.

Mr. DE BEKKER. I do not know Mr. Boynton.

Senator BRANDEGEE. I did not ask you if you knew Mr. Boynton. I asked you if you knew any member of the Association for the Protection of American Rights in Mexico, who was attempting to influence the newspapers to advocate armed intervention by this country in Mexico.

Mr. DE BEKKER. I do not know a single member of the association, Senator.

Senator BRANDEGEE. Did you give a list of the members of the association this morning?

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Mr. DE BEKKER. No; but I can if you want it.

Senator BRANDEGEE. What was the list of companies you read here?

Mr. DE BEKKER. That was simply a list of the oil companies concerned.

Senator BRANDEGEE. Concerned in what?

Mr. DE BEKKER. In the Association for the Protection of American Rights in Mexico.

Senator BRANDEGEE. Are these companies members of that organization?

Mr. DE BEKKER. The literature of that association so says.

Senator BRANDEGEE. That they elect corporations as members of the association?

Mr. DE BEKKER. They pay $100 a year for the privilege of belonging to that, to protect American rights in Mexico.

Senator BRANDEGEE. I do not know what the fact is. Do you mean to say these corporations are members of this society as corporations?

Mr. DE BEKKER. So the literature of the national association asserts. I do not know of my own knowledge. They are classed in a list of members who pay $100 a year for the support of the organization. Some weeks ago the New York Times, I believe, stated there were 1,000 members interested. How many are in favor of intervention I do not know.

Senator BRANDEGEE. Do you know what membership there is to this association except the corporations you have named?

Mr. DE BEKKER. Yes; there is an individual membership of a dollar a year, composed of several hundred. I do not know any of them except one member who, I believe, is not very seriously interested in the plans of the organizations.

Senator BRANDEGEE. Do you think the mere fact that a man belongs to that association, and believes in protecting American rights in Mexico—that, that mere fact, is circumstantial evidence that he is in favor of armed intervention, or trying to force it by this Government?

Mr. DE BEKKER. I specifically stated, Senator, that I did not believe it to be so in that memorandum I read earlier in the hearing.

Senator BRANDEGEE. What did you say was the purpose of your trip to Mexico?

Mr. DE BEKKER. I went down there as editorial staff representative of the New York Tribune to write some articles about Mexico.

Senator BRANDEGEE. For the purpose of writing some articles about Mexico?

Mr. DE BEKKER. I was told to go down and write the truth about Mexico to the best of my ability, Senator.

Senator BRANDEGEE. And how long were you there?

Mr. DE BEKKER. I think I got into Mexico—I can give you the exact dates.

Senator BRANDEGEE. I am not interested to that extent.

Mr. DE BEKKER. About six weeks or more.

Senator BRANDEGEE. And visited how many cities?

Mr. DE BEKKER. Vera Cruz, Mexico City, Pueblo, Guadalajara, San Luis Potosi, Tampico.

Senator BRANDEGEE. How long did you stay in the City of Mexico?

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Mr. DE BEKKER. Well, I am not absolutely certain, but I should say perhaps a month.

Senator BRANDEGEE. And you were there only six weeks altogether?

Mr. DE BEKKER. A short trip.

Senator BRANDEGEE. And that left two weeks for these other five cities?

Mr. DE BEKKER. I only spent a day or so in Pueblo, which is not a very large place.

Senator BRANDEGEE. But if you only had two weeks, and leaving out traveling from one city to the other you could not have been in each very long?

Mr. DE BEKKER. No; I was not in each very long.

Senator BRANDEGEE. And you got the truth about Mexico?

Mr. DE BEKKER. So far as I wrote.

Senator BRANDEGEE. That was not the whole truth?

Mr. DE BEKKER. The whole truth would take several very fat volumes, whereas I only wrote about 60,000 words, Senator.

The CHAIRMAN. Miss Laut to whom you referred in this preliminary statement of yours, did you see her in Mexico?

Mr. DE BEKKER. I never met Miss Laut but I know she was there when I was.

The CHAIRMAN. Through what sources have you learned of Miss Laut, the information you have read into the record here in that statement?

Mr. DE BEKKER. Why, in a letter from Miss Laut's manager in New York advertising a series of articles which she prepared, for one thing; from having been in the office of Dr. Halsey at the time Miss Laut called to see Dr. Halsey for another.

The CHAIRMAN. I understood you to say you had not met her. You were in the office of Dr. Halsey when she called, were you?

Mr. DE BEKKER. I was in Dr. Halsey's office.

The CHAIRMAN. You saw her there at the time?

Mr. DE BEKKER. I saw her card brought in. I did not see her.

The CHAIRMAN. What did you mean by saying she had exhibited the fake photographs of outrages, or something of that kind?

Mr. DE BEKKER. Well, she had something of that kind in the New York Independent a few weeks ago, Senator. It was exposed in the New York Call, I believe, at the time.

The CHAIRMAN. You have a copy of the Call?

Mr. DE BEKKER. Yes, sir.

The CHAIRMAN. Who edits the New York Call, Mr. de Bekker?

Mr. DE BEKKER. I do not know, except in a general way, Senator. It is probably edited by a committee of some sort.

The CHAIRMAN. Just let that pass a moment. Did you read the article in the New York Call exposing—I suppose that is the proper word as they use it—"New York Times is exposed in glaring Mexican map fake"?

Mr. DE BEKKER. Yes, sir; I saw it.

The CHAIRMAN. "Special to the Call," from the Mexican Review. That is Mr. Week's paper?

Mr. DE BEKKER. Yes, sir.

The CHAIRMAN. Under date of September 7, published in the New York Call of September 8:

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The Mexican Review has just published a startling disclosure of a colossal fraud perpetrated upon the reading public of the United States by the New York Times in the shape of a deceitful map published in that newspaper July 20, and afterwards republished and franked throughout the United States by the Rules Committee of the House of Representatives.

You read that, did you?

Mr. DE BEKKER. Yes, sir.

The CHAIRMAN. Did you read the evidence taken before the Committee on Rules, a statement by Congressman Gould?

Mr. DE BEKKER. What is the date, Senator?

The CHAIRMAN. July 29, 1919, the statement with reference to a map of Mexico?

Mr. DE BEKKER. No; I did not.

The CHAIRMAN. This is the statement to which I had reference (p. 132):

For the information of the committee, however, in this connection, I am inserting here a map of Mexico (G-1—).

The map is published on page 140 of this pamphlet.

prepared by the Military Intelligence Section of the War Plans Division of the General Staff, United States Army, and accompanying discussion of same in the New York Times of June 22, 1919, which has been widely published in this country, and which shows that territorially the Carranza Government controls less than one-half of Mexico.

You did not read that?

Mr. DE BEKKER. I read the article in the Times, and looked at the map, and I know absolutely the map can not be true, because I have been in the country where it is supposed to be in control of——

The CHAIRMAN. I am not asking you that.

Mr. DE BEKKER. I say I believe the Military Intelligence is misinformed as to present conditions. It might have been true of conditions three or four years ago.

The CHAIRMAN. That may be very well. I asked you if you had your attention called to it, and read the testimony?

Mr. DE BEKKER. No, sir.

The CHAIRMAN. Or seen the map?

Mr. DE BEKKER. I have seen the map; an impossible map of the present-day conditions.

The CHAIRMAN. All right. Soon you can get anything in you want.

Mr. DE BEKKER. Pardon me. I have no desire to go beyond your questions.

The CHAIRMAN. Then answer them.

Mr. DE BEKKER. I have. I saw this impossible map.

The CHAIRMAN. I have not asked you whether it is an impossible map or not.

Mr. DE BEKKER. Pardon me, sir. What did you ask?

The CHAIRMAN. Is that the same map that was exposed by the Call?

Mr. DE BEKKER. Let us see. You have the Call there. We can compare the map.

The CHAIRMAN. I have not the map in the Call.

Mr. DE BEKKER. Yes, you have; the map is on the next page.

The CHAIRMAN. Well, you know it better than I do.

Mr. DE BECKER. Yes, I do. I should say that was the same map, Senator.

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The CHAIRMAN. Then this is the map to which reference is made on the front page in the article on the exposure of the fake that was published in the New York Times?

Mr. DE BEKKER. I do not know as to that, Senator.

The CHAIRMAN. I ask you if it is the same map?

Mr. DE BEKKER. It seems to be, yes; and as a matter of fact the Times printed a quotation from the—or the Call printed a quotation from the editor of the New York Times, a very estimable gentleman, asserting that it was a Government map. I am very glad to put Dr. Miller on record as having been entirely within the facts in the matter.

The CHAIRMAN. You stated that the Call has exposed a fake photograph that Miss Laut sent in or had published?

Mr. DE BEKKER. Yes, sir.

The CHAIRMAN. The same character of exposure, I suppose, as they made of the falsity of this map?

Mr. DE BEKKER. No; I do not think they reproduced the photograph.

The CHAIRMAN. That is all.

Mr. DE BEKKER. Thank you.

The CHAIRMAN. Gentlemen, the committee will be in recess until 8 o'clock to-night.

(Thereupon, at 2.05 o'clock p. m., the subcommittee took a recess until 8 o'clock p. m.)

EVENING SESSION.

The subcommittee reassembled at 8 o'clock p. m. in Room 422, Senate Office Building, Senator Albert B. Fall presiding.

Present: Senators Fall (chairman) and Brandegee.

TESTIMONY OF MISS AGNES C. LAUT.

(The witness was duly sworn by the chairman.)

The CHAIRMAN. What is your name?

Miss LAUT. Agnes C. Laut.

The CHAIRMAN. And your business?

Miss LAUT. Journalist and farmer.

The CHAIRMAN. And your residence?

Miss LAUT. I have three residences—one in New York, and one in Wassaic, N. Y., and another one in Mount Riga, New York, on a farm. I spend my time about equally in those places, when I am not traveling.

The CHAIRMAN. Miss Laut, in your business as a writer do you remain at one or the other of your residences, or are you accustomed to traveling about the country?

Miss LAUT. Well, I make my headquarters in New York, Senator, but I always get my information first hand, if possible, and I travel, I should say, three-fourths of the time.

Senator BRANDEGEE. How long have you been a journalist, Miss Laut?

Miss LAUT. I think I have been a journalist over 20 years, Senator.

The CHAIRMAN. You have written various articles for the press and magazines, periodicals, etc., concerning the Republic of Mexico?

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Miss LAUT. I have, Senator.

The CHAIRMAN. Upon what information have you based such writings and such articles?

Miss LAUT. Shall I begin with what first interested me in Mexico?

The CHAIRMAN. I think so, and tell how you became interested.

Miss LAUT. Well, in the first place, I was very well acquainted with Mrs. Alex Tweedie, who spent about a year in Porfirio Diaz's family, and when I was in London I visited her constantly and she got me very much interested in Mexico.

Senator BRANDEGEE. When was that?

Miss LAUT. I think about two years before the close of the Diaz administration. She issued her book on his life and conditions in Mexico, and I was in London and became very much interested in the subject. Then, pending the war, I was editor of the Forum, to aid the Allies and for certain shareholders of the Submarine Boat Co., who were so deeply interested in the allied cause.

At that time I was trying very hard, under the advice of Sir Cecil Spring-Rice, and representatives of the banking interests who loaned the first big loan to the Allies, to make the Forum absolutely a forum—that is, for the expresison of facts on both sides of every question concerning the great war. We issued a Mexican number, and in that Mexican number—as to the date, I wouldn't swear whether it was 1915 or 1916; I don't remember which it was, but you can get it out of the Forum records—we issued a statement of everything we could get bearing on Mexico. And I was tremendously interested in what Alvarado issued on Yucatan, because in my writings, handling financial problems for Current Opinion and the New York Sun, and dealing with international finances between Canada and the United States, and for the Financial Post of Canada and McLean's Magazine, I was interested in the financial problems of "pegging prices," "pegging wages," "pegging currency." It struck me as something so curiously new in economics, to abrogate the law of supply and demand, that I got tremendously interested in the Yucatan situation. Gov. Alvarado did not write the article himself, but I understood it represented his views.

The CHAIRMAN. Alvarado, you say?

Miss LAUT. Yes, sir.

The CHAIRMAN. That was Gen. Salvador Alvarado, then governor of Yucatan?

Miss LAUT. Yes, sir.

The CHAIRMAN. You were present when the translation of an article of Alvarado's was read into the record?

Miss LAUT. Yes, sir.

The CHAIRMAN. That is the same man?

Miss LAUT. Yes, sir; that is the same man. An article not written by himself, but representing his views as I recollect, which was issued by the Forum, made me very much interested in the Yucatan.

I want to take up at the end of my evidence Mr. de Bekker's evidence in regard to my "being pro-German." He should know that the name "Laut" used to be spelled "Loche," and then when my people removed to the north of Ireland it became "Laught," and when the "g-h" was dropped, it seemed to be a German name, which is the sole ground for the mistake, which I shall take up in a moment.

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I have been working along those lines straight through the war, and when the first loan was attacked by the pro-German writers I was about the first regular writer to jump into the fray and defend the Federal Reserves against the unscrupulous attacks of the American Truth Society. And I was very much interested in the economic disturbances in Mexico.

Then, purely by chance, I was in Texas, I was in New Mexico, I was in Arizona, I was in California when the Revolution broke out in Mexico, and I was there every summer for six or eight months up to the breaking out of the Great War, and I saw the refugees pouring across the line. I never like to take what people say to me. I try to get the facts direct. And as those Mormon refugees came across the line I used to talk to them. It interested me terribly. It struck me as a terrible thing that wrongs which might have been righted in a perfectly legitimate constitutional way were being seemingly attempted to be righted with such fearful bloodshed. That interested me in Mexico.

So when the war closed last November I was making my plans to go to Mexico, and at that time I was doing all of the financial stuff for the Financial Post, of Toronto, and McLean's, bearing on financial relations of Canada and the United States, and the Canadian banks were very deeply interested in Mexico.

The CHAIRMAN. You are going to mention the alliance between Canadian interests and Mexico?

Miss LAUT. I would not say it is an alliance. They were deeply interested.

The CHAIRMAN. Do you know anything about the F. S. Pearson interests in Mexico?

Miss LAUT. Yes; I met the Canadian managers.

The CHAIRMAN. You knew the corporation or the company through which they operated was a Canadian company?

Miss LAUT. Yes, sir; and I knew the members of that company in Canada.

The CHAIRMAN. Dr. F. S. Pearson and his friends in Canada and the United States and in Great Britain were very materially interested in Brazil?

Miss LAUT. Very much so.

The CHAIRMAN. And the San Paula Tramway?

Miss LAUT. Yes, sir.

The CHAIRMAN. Electric light power development?

Miss LAUT. Yes, sir.

The CHAIRMAN. And in the mine in Mexico?

Miss LAUT. Yes, sir.

The CHAIRMAN. Mexican Tramway, electric light, power, and other things?

Miss LAUT. Yes, sir.

The CHAIRMAN. And were also interested in northern Mexico, in the Mexican & Northwestern Railway and allied companies, including large lumber interests?

Miss LAUT. Yes, sir.

The CHAIRMAN. Owning something over 2,000,000 acres of land in Chihuahua?

Miss LAUT. Yes, sir.

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The CHAIRMAN. Those are the Canadian interests that I had reference to, and I supposed you knew something about them.

Miss LAUT. I do; but it was even deeper than that. The rumor existed in Canada that a good many of Carranza's funds were on deposit in certain Canadian banks. We have never been able to substantiate that by tracing under whose name they were deposited, but that rumor was in existence there at that time. There were other banks that were interested in help for the confiscated tramway system and some of these interests I have mentioned.

I went up to Canada just as the war closed, and I discussed the situation with the Canadian bankers. In fact, the only letters of introduction I took to Mexico were given me by the president of one of those Canadian banks. I hate in evidence like this to use the name of a prominent man, because it seems to be hiding behind the skirts of such prominence; but I have no hesitancy in saying it was from Sir Edmund Walker. I had the only letters of introduction I took to Mexico and I discussed the question of Mexican finances with the Canadian interests. Then I was in Ottawa and discussed it with the man who is now the minister of finance, Sir Henry Drayton, and with other Canadians that had been interested in the situation in Mexico. We decided it would be a good thing to go down there and get a statement of economic conditions and facts.

On my way back through New York I was told by a friend, a neighbor of mine on a farm up in New York, that this protective association was being formed. I had not met any of the association. I had made my plans to go to Mexico before the association was formed. I was asked to meet some members of that association. I did not seek them. I was taken down and introduced to them, and I was asked if I would make a report on the economic conditions to the various members of the protective association. I have never concealed that. I have stated it in at least four magazine articles and three lectures.

Senator BRANDEGEE. That is the Association for the Protection of American Rights in Mexico?

Miss LAUT. Yes, sir. I was asked to make that report, because, after all, the stability of a country depends on human conditions, and that is what I wanted to get. I agreed to do that. Shall I go right on with my visit to Mexico?

The CHAIRMAN. Yes. But first, how were your expenses paid down there, if anyone paid them?

Miss LAUT. That brought up a very fine point. I agreed that I would make them a report if they would pay such expenses that would make it possible for me to take a constant companion, because I saw an international scrap coming, and I know the danger of blackmail in those international scraps, and I always take with me on those trips a married sister or an unmarried sister. I always go on such long trips, purely as a protection from misrepresenation, with a sister. They agreed, not the protective association, because it was not fully formed, but they agreed personally that the expenses of that trip would be sufficiently covered to take along a companion to cover blackmail protection.

The CHAIRMAN. That was some one connected with Mr. Doheny or some of the oil companies who made that agreement?

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Miss LAUT. I think that was made by the executive of the oil companies. I had not met them at that time.

The CHAIRMAN. Who was paying the other portion of your expenses?

Miss LAUT. Out of my own pocket.

The CHAIRMAN. Out of your own pocket?

Miss LAUT. Absolutely; out of the earnings of all the articles I have written. I think I have written 42 since I got back. I was paid for all of them but 1, and that was a charitable article.

Senator BRANDEGEE. Did you meet the Protective Association?

Miss LAUT. I met Mr. Walker.

The CHAIRMAN. Harold Walker?

Miss LAUT. Yes, sir. I think I met at that time Mr. Watriss. If I didn't, I did the second time. I also met Mr. Swain and Mr. Bedford. I had met Mr. Bedford before. I met Mr. Burton Wilson. I met certain of the mining interests whose names I have forgotten and will have to pick out of that book on their membership list.

Senator BRANDEGEE. Did you meet them all at the same time?

Miss LAUT. No; I didn't meet them altogether until I got back from the trip, when I addressed them in a group twice.

Senator BRANDEGEE. When you were making your arrangements about expenses did you meet these gentlemen you have already named?

Miss LAUT. Yes; and it was they who made the suggestion.

Senator BRANDEGEE. That is what you mean when you say "they agreed"?

Miss LAUT. Yes, sir. They agreed if I would make an economic and financial report which they could use, if they needed it, with the State Department, they would bear my expenses so I could have the protection of some one constantly with me, because as I go on to give my evidence you will find that going under the surface and getting the real evidence in Mexico is a pretty dangerous game. I have been over a railroad one day that was blown up the next day, and all that kind of thing.

The CHAIRMAN. You were going down there on account of your connections as a financial writer and investigator?

Miss LAUT. Yes, sir; solely.

The CHAIRMAN. First, with the Canadian interests?

Miss LAUT. Absolutely.

The CHAIRMAN. And in pursuance of your usual work you had determined to make that trip to Mexico?

Miss LAUT. Yes, sir.

The CHAIRMAN. Then you came in contact with these people and they agreed to pay a portion of your expenses?

Miss LAUT. Such portion as would enable me to make the trip under the circumstances I have just stated. I have announced it in many of my articles and three lectures and one address. I did not try to conceal it.

Senator BRANDEGEE. When you came in contact with these gentlemen was it at your suggestion or at theirs?

Miss LAUT. At theirs; at their request. They heard I was going to Mexico.

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Senator BRANDEGEE. Who was the first of those that sent for you or intimated that they would like to talk with you about making a report to them?

Miss LAUT. I should say the first one was Mr. Walker, I think.

Senator BRANDEGEE. The object of all these inquiries, of course, is to ascertain whether your independence of observation and your report was at all impaired by the fact that these people were going to pay you anything or pay for your transportation or expenses?

Miss LAUT. Before I went I filed a letter with them—which I am sorry I haven't here, but they have it on file—saying I would only go on condition that I could report what I saw in my own way, with nobody's opinion; that I would not go shunted around on a show window proposition. The show window proposition is a common thing in Mexico. I stated that I must go with absolute freedom of action. And when I came back the report was so different from what they expected. I filed a letter with them saying I could not report, except—I would not say against intervention, but the word "intervention" must be taken off the map to help Mexico—I must be allowed to report things as I saw them. Otherwise I would not go on. From that time to this my sole connection with the financial interests has been the link between the churches and the financial interests.

The CHAIRMAN. Has this American Protective Association ever sought to control your evidence or writings?

Miss LAUT. Absolutely not. I will be very glad to tell you that the only change I made in my writing at their request was in the spelling of a Spanish name. I read Spanish and understand it when it is spoken slowly, but sometimes in writing Spanish names I might get the spelling wrong, or my stenographer might. I am very glad to say under oath the only change ever made at their suggestion was when I spelled the name "San Luis Potosi." I, knowing Quebec pretty well, spelled it in the French way and put an "o" in it. That is up to date the entire change that has been made in my writing at their suggestion. Once or twice I have asked them to give me the exact figures paid for taxation or something of that kind. I might have $12,500,000 as yearly export taxes and they would give me $12,566,000. It is simply a question of getting the accurate figures.

Senator BRANDEGEE. What do you mean when you say your report was different from what they expected?

Miss LAUT. I will have to tell you what I saw in Mexico myself, Senator, and my experiences in Mexico, to bring that out.

Senator BRANDEGEE. I don't want to interrupt your plan of procedure. You will bring it out later?

Miss LAUT. Yes, sir.

The CHAIRMAN. I thought you connected it in some way with the subject of intervention.

Miss LAUT. No, sir. I was down there with the idea solely of investigating the economic and financial problems. Between 11 in the morning and 3 in the afternoon I was dined and wined and shunted about. I never received any more courteous treatment anywhere in my life. I want to register my gratitude for it. My best friends on earth are in Mexico, and I hope always will be, but at times, when I

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was not being taken around and given economic and financial and industrial facts by the bankers and by the tramway interests, I got up early in the morning and went out on little excursions of my own. Those excursions were, I think, quite the saddest thing that I have ever encountered in my life. I hardly know where to begin or how to begin to tell you that story.

For instance, one morning I got up very early, and I do not know to whom I owe the very great courtesy, but it happened so often in Mexico I want to put it on record. When I went any place where I was in danger, I would be told along the street, "You are going to So-and-so?" "Yes." "Don't be uneasy. There will be a man shadowing you, three blocks behind. Go ahead! You will be safe."

I got up early that morning, it must have been between 5 and 6, and I went out to the section of Mexico known as "the vice section." That is not in the sense that we call it "the vice section" in our cities, but in a section where 300,000 peons who can not live in the country on account of it being unsafe to life, have crowded into the suburbs of Mexico. There I saw lying in the streets little children, covered with nothing but newspapers. I have counted under one set of attic stairs as many as 13 children, orphans, eating off garbage piles, living how they might, with no fate ahead for the little boys but banditry, and nothing for the little girls but being sold at 4 pesos per head to be shunted around among the soldiers and bandits.

I went out to the country districts, and again I was indebted to Mexican friends. I drove out to the little country schools. I met the teachers, and while I do not speak Spanish I understand it, and we worried it out between us. I asked them how they were getting along. They were not getting any pay except bonds that did bear interest. I asked them about their conditions. They said, "Very triste." I said, "Why it is very triste"? They said, "Because over that hill now there happens to be 'Carranzistas,' or 'Zapatistas,' or some other 'istas.'" I wanted to know what cause there was for fear from those "istas." They told me a tale that made me see red all night long, and made me resolve to tell the truth about Mexico, whatever the cost. They told me how they received no pay, how they could not stay out in that country district at night, and had to come in. They told me what their fears were, the ground for those fears, what had happened. It is untellable.

I drove out to some of the ranches, I suppose three or four areas of ranches not more than 30 miles from Mexico City. I encountered on that trip from Mexico City a case of kidnaping. For instance, I think of one boy that was kidnaped. They took him right out of the ranch. His father was a Carranzista supporter. They demanded 4,000 pesos or they would mutilate him. That boy was brought back in a motor car into the heart of Mexico City and delivered opposite the vast central park, for 4,000 pesos, and the police were paid 1,800 pesos to look the other way. I could give a number of those cases.

I remember one case on the ranch of the ancient Lady Marena, Cortes's mistress—a wonderful home. It was wonderfully stocked, so many head of different kinds of stock. I am very fond of stock. Everything was in such good condition on that ranch. I saw these beautiful cattle, costing $10,000 for the sires, and beautiful progeny. I asked them how they kept that stock in that splendid condition,

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under revolutions. They were very reluctant to tell me. I could not get them to give me any information. I said good night to the man who owned the ranch, and he said "If you are going into the city, I will go with you." I said, "Don't you stay in this beautiful place?" He said, "No." I said, "Why?" He said, "Why, it is unsafe." I said, "How do you keep all these cattle and this stock?" He said, "By paying 50 cents a head a week blackmail for protection." That man was a Carranzista supporter.

I went out to the Indian villages and with some of them who could hardly speak Spanish I could not get along very well, but by dint of half Indian and half Spanish and help I found something of the conditions under which those Indians lived, surrounded by Carranzistas and Zapatistas. When I began to express my sympathy over the frightful condition they were in, they began to open their hearts and talk. I think of one case of a woman whom I heard talking, and I said to her, "Is that story true about such and such a girl?" The tears came in her eyes and she said, "Yes. There is much worse than that. Are you going to tell all the truth about Mexico?" I said, "I have been in this game over 20 years and I have not tried to lie yet. I am going to tell the truth." She opened her heart.

One of the witnesses has spoken of fake pictures. By the funniest coincidence in the world I happened to be at the Methodist conference at the time that picture was issued and the magazine got that picture themselves. If there is any doubt about atrocities, I have at least 8 or 10 sets of pictures here, taken by 8 or 10 different photographers at imminent risk of their own lives in the interest of Mexico, and those pictures speak for themselves.

In that case as a woman I saw red. I wanted to check up my facts, because sometimes stories were told me, and I could not sleep for three nights, thinking of the suffering of young American and Mexican girls. I found that the representative of one of the largest banks in the world had an investigation going on, and I hunted that man up. I said, "Have you such and such facts that have been suppressed?" And that man had in his record, 2,100 or 2,600, in a certain area where I heard a report of only 200.

I met good families, and I found that they had suffered just as much as the poor. I inquired about factories where 200 girls worked, not over 18 years of age, and certain factions had entered that factory and not one girl of the 200 escaped. I do not need to express more explicitly what I mean.

I think someone has spoken about nationalization of women there. I know of the boast of three generals in three different centers, one in Mexico City, one in Vera Cruz, and one in Tampico. Here are their words:

> The first time we took your motors; the second time we took your horses; the third time we took such and such an exaction of taxes; and the fourth time, if you do not submit to this exaction the next time we come, we will take your women.

I can tell of so many cases like that that the thing is harrowing. It is a thing for pathological study.

For instance, I met an old haciendado owner of Morelos. He had kept at the hacienda charity sisters and lay sisters for the education

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of children. After one of the raids—and in this case it was Carranzistas—there were 18 of those sisters, every one of whom was as respectable as you or I, taken out dead.

To Sonora I did not go. But this evidence was given me not only by a Carranza officer but by an American officer. I got the record of two American women who had been held in the Sonora mountains since 1917 by the Yaqui Indians with the soles of their feet shaved so they can not escape over the cactus ground. I could tell you not one but of hundreds of such cases. When I had gathered a certain number of these cases and had begun to get keen on it, I said, "I am going to get the women of America interested in this thing, and the churches."

I have in mind the case of an old Indian mother. I can not tell who she was; it would expose her to danger. She came up to me and said, in half Spanish and half Indian, which her daughter translated, "Are you going to get help for the women and children of Mexico?" I said, "I will do my best." She threw her arms around me in a Spanish embrace, kissed me on both cheeks and cried and blessed me.

I do not know whether I have told enough along that line. I would like to talk of labor for a minute, because so many seem to think that this present Mexican administration has helped labor.

The CHAIRMAN. Did you go into the hospitals?

Miss LAUT. I investigated hospital cases. But, Senator, if I went into those tales, except in executive session, I would endanger the people that gave me the information, and I would particularly endanger the six or eight photographers whom I afterwards succeeded in getting into those hospitals to photograph what existed, so that I could not be accused of being a hysterical woman who saw red. I have those pictures here. I do not consider that they are suitable for general publicity, but they will corroborate what I tell you. The girls are from 3 years old to 15 and 18 years. The average age is about 11.

The CHAIRMAN. Are those you are speaking of girls and women?

Miss LAUT. Girls and children, mere children, age 10 and 11 years old. The things did not happen in the heat of the revolution. I can give you a record of things that are happening now, and that happened when I was there.

Let me give you a case now. I know of a woman and child taken to a garrison in Mexico City. They were trying to find out where the father was who was hostile to the administration. They were put in the garrison prison and their brains beaten out. The child was aged 3.

As to the stories of the suffering of the American and foreign women and children from Vera Cruz to Tampico, I do not think there is anything in Belguim or Armenia that exceeds it. If there are any of those cases you desire, I have them here. It would be with very great reluctance that I would give them. I think of one, a young girl whose father was dying of T. B., and the little family had come to Mexico for the warm, high, and dry climate inland, that highland which is above the quick drop to the sea at Vera Cruz. That girl was 16 when the revolutionists swooped down on the ranch. She was a corking shot, brought up in the West, as I have been, and

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amply able to defend herself. They knew it. She had her revolver in hand. She could have saved herself by suicide. They roped her father and mother and then they turned to her and said, "Now, unless you give yourself up we are going to torture your father and mother." The girl fainted and was carried off. The details do not admit of telling. The doctor who attended her told me the details. She is to-day dying in that country. I know that case is on record in the State Department.

The CHAIRMAN. She is an American girl?

Miss LAUT. Yes, sir; born in Lincoln, Nebr.

I can tell you of the girls of a ranchman who suffered the same fate. I can tell you of an Englishwoman at Zacatecas who—mother and daughters—would have suffered the same fate except that the mother jerked the revolver out from the bandit's belt and quickly shot the man who was carrying away one daughter, then shot another who was carrying away another daughter, and then through the intercession of the priest they got out safely.

I think of the case of a little Mexican girl, which case I know is on record in the State Department, whose parents were killed in the raid. She was 13 years old. She was taken by an officer. When he realized that there might be scandal because she was very well known and very much beloved by the community, in his drunken brutality he cut her face around with a knife, right around here [indicating)] and tore the entire skin away from the living face, so that identification was forever prevented.

There is no use in going on with this list of stories of atrocities. They are so common that, as people in Mexico say, they get calloused to them. I do not get calloused to them.

I think that if the churches of the United States and the churches of Mexico, irrespective of sectarian differences, would get together on this thing they could launch a campaign for the redemption of Mexico that would stop this sort of thing. If there is any way of averting war, we will avert war, and that is what I have been working on since I came back from Mexico, constantly, pretty nearly day and night.

When the revolution broke out the revolutionists had no money nor arms; they had no men. The only way they could get a following was to promise loot; and in certain regiments I can give you the absolute words of the promise—so many hours for loot, so many hours for hunting girls. What was the peon who would not join to do? He put in his crop. They swooped down on it and they would either take the crop and cut his throat, or compel him to join them.

The CHAIRMAN. We will have in the record a little later one of the public proclamations of the general attacking one of the cities in Mexico to that effect. The State Department has the record sent on here by the American consul in that particular city, who went to interview the general himself and to urge that he hold his soldiers back, and was told by the general that in pursuance of his proclamation he must turn the town over to his soldiers.

Miss LAUT. In many cases the officers contending for recruits found that the only way they could hold their men was to promise excessive loot—and loot meant both the girls and anything they could get to gather up in the way of gain.

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Again and again reference has been made to the educational facilities, and so on. In San Luis, when I was adjacent to that territory, the teachers had not been paid—that is——

The CHAIRMAN. That is, San Luis Potosi?

Miss LAUT. Yes, sir. The teachers had not been paid for four months. Ranches had been devastated so that those worth a hundred thousand dollars had been sold for $40, because it was unsafe to live on them. Elections this summer have been held in that area at the point of a gun. Seventy people were shot for daring to vote for civilians in Monterey. Fifty Federals at a polling booth were there to shoot anybody who dared to vote for anyone but a military governor.

The CHAIRMAN. In Monterey, Mr. Osuna——

Miss LAUT. I am coming to Osuna. There is some very interesting matter that I want to put on record.

Reference has been made to the Cedillos brothers. I want to tell you what those brothers did to a family of Kansas people there. There was a date when Mexico was making a bid for settlers, the same as Canada, and at that time something between forty and fifty thousand foreign and American settlers poured into the region from San Luis down to the hot country. About the same time 1,000,000 Americans poured into the Canadian Northwest; and because they bought that land at $15 an acre and sold it at $100 and $200 I have never heard anyone in Canada say that land should be confiscated.

Those farmers came down from Kansas and bought land there. They put in some 15 or 20 years of privation and hard labor. They put back all their profits. They had their haciendas in fine condition, factories, railway sidings, store rooms, etc.

I think of one Kansas family. The farmer had sent his daughter and his wife to Tampico, I think it was, to get the pay roll in gold for the month. They had about 700 on the pay roll. They had raised the wages of those employees from 37 cents a day United States currency to $1.50. The bandits swooped down on them, under the Cedillos brothers, whom Mr. Inman did not seem to know anything about. Here is a picture of one of the Cedillo brothers at the end of his game. They seized that old farmer and asked for the pay roll. Fortunately, the train coming from the city had been late, and the daughter and the mother had not arrived with the pay roll; otherwise they would have met a worse fate. They took that American farmer, and put a rope around his neck and jigged him up and down, and tortured him by prodding him with bayonets until he went mad. He later died from the tortures. When the daughter and mother arrived at the station, the friendly peons kept them from going out there.

I want to put on record right here that the decent people of Mexico, poor and rich, all classes, condemn these crimes as much as we do. Mexicans have been called a warlike people. They are the most lovable and docile people in the world. Any other people on earth suffering those horrors would literally have torn their rulers to pieces with bloody hands. Those people are enduring them because they are a docile, gentle people. For every one American who has suffered there, the number of Mexicans is multiplied a hundredfold.

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Reference has been made to exaggeration of atrocities. I have stated somewhere in writing that there are 116,000 homeless children in Mexico City. We have been told that the Mexican City press is so much more reliable than the sensational atrocity writers that we had better refer to the Mexican press. On looking up the Mexican City press they give the number not 116,000, but 129,000.

The CHAIRMAN. From what papers did you secure that?

Miss LAUT. From Excelsior or Universal.

The CHAIRMAN. El Heraldo?

Miss LAUT. No, sir; in El Universal or Excelsior.

Reference has been made to the conditions of the trains and the excellence of the train service. The train service is so excellent that I went down to Vera Cruz on Sunday, the train was blown up on Monday, and there were instances of blow-ups by dynamite, and captures during every day all that week. That railroad had about 40 engines and they have now 8.

In the Tampico region I went over the railroad at the end of March, and in the first two weeks of April the train was captured by the bandits and 32 women, as respectable as any one in this room, were carried off and are today held captive in the hills.

In the hot country, in the month of June——

The CHAIRMAN. Pardon me just there. Have you investigated the case of the killing of the young students recently?

Miss LAUT. I was coming to that in just a moment, Senator Fall.

In the case of the hot country a similar raid took place in connection with one of the trains running to Tierra Blanca. On that train was a very fine little girl. The bandits were begged not to take her because she was respectable, and the brutal reply was, "We will cure her of her respectability." They carried her off and hold her in the hills to this day. What her fate will be is shown in these pictures which are described as atrocity pictures. The crime seems to be not in committing the crime, but in expressing the facts about the crime, according to evidence given here by Carranza propagandists.

In July, on the 24th, in Sinaloa, at a wedding, the Yaquis swooped down on a train, killed every man and carried off every woman They are held in the hills today with the soles of their feet shaved so they cannot escape over the cactus ground.

Reference has been made to improved conditions. The conditions are so much improved for the poor that on July 22 the commissioner of the board of health of Mexico City had to issue a permit for the poor to be allowed to eat horseflesh. In Durango 17 out of 22 candidates for governor could neither read nor write. At Zacatecas food is scarce; life is insecure; bandits are universal; the teachers have not been paid for six months.

There is a very interesting story about the striking teachers. The teachers of Mexico City had to go on strike for their pay. It seems to have been a crime to tell that the guns were turned on them in the street for going on strike for their pay.

The CHAIRMAN. Were they striking for higher wages or for pay that was due them?

Miss LAUT. They were after back pay of six months which they had not been paid. And at this time, when money was so scarce the

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teachers could not be paid, two of the Carranzista generals presented a $70,000 place to their president. It may be awfully good for the country, but it is not ordinarily the way of democracy or helpful to the poor.

In Michoacan the conditions are still worse.

The CHAIRMAN. These matters that you are detailing now are all matters such as you have investigated personally?

Miss LAUT. Either investigated personally, or I got a personal report from some one who asked me if I would keep tab on reports if they could smuggle the truth out to me; and I have had that coming out from Mexico since I got back.

The CHAIRMAN. They are not simply rumors or newspaper reports that you have not investigated?

Miss LAUT. Absolutely not. These are things sent out perhaps by three or four different authorities and checked up as authentic before I would use them.

Senator BRANDEGEE. Do they sign their names to the letters?

Miss LAUT. Yes, sir; I would be very glad in executive session to give the names.

Senator BRANDEGEE. I do not ask for them, but do you know from whom they come in each instance?

Miss LAUT. I do, and they are authentic.

Senator BRANDEGEE. Were they from people who had promised that they would report?

Miss LAUT. They had promised when they found out it was really a question of helping Mexico and that I considered it rather a humanitarian proposition than a financial proposition. They said: "If you will get the facts out, we will send them out, checked up." I have had them checked up by bank men who are there now.

Senator BRANDEGEE. Are most of them Mexicans, or are they of all nationalities?

Miss LAUT. I would say reports from just as many Mexicans as American and British. A great deal has come to me from American and British since——

Senator BRANDEGEE. Men and women both?

Miss LAUT. Yes, sir. I would say a great many through banking investigations where they are sending men into some great factory or industrial venture, and I say, "I want you to give out the exact conditions of the country, and I will check that up with the British reports or some local Mexican reports."

In Michoacan the local situation has been such that whole villages have had to eat the unripe sugar cane and roots until their lips were raw. In one village 200 little girls of 10 and 11 years of age were carried off by the bandits and herded in a town and misused—one girl to four men—until they were more dead than alive. Finally the leading citizens rose and literally tore that bandit band to pieces and rescued the little girls when it was too late, as you will find from one of those pictures [indicating].

With reference to the destruction of property I think of one case which happened when I was there, where a huge hacienda with a factory was destroyed. The sinners in this case were the Carranzista soldiers. The owner of the hacienda protested against the destruction and said, "This will throw 500 people out of work. They will starve." The reply was, "That is exactly what we want.

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If the men can not work they will join our ranks and we want recruits."

There has been a great deal of talk about taking over the biggest estates, and when we investigate it we find that three-fourths of that talk is by people who never saw a farm nearer than a pen point. There is not a thing alive on many estates so destroyed. There is not a peon left on the places. It is unsafe for the people to work those estates because the crops will all be taken and the people will be murdered unless they join the bandit band.

Another point is that as soon as the estate has deteriorated in value by this treatment, it is bought in by some general. I know of one worth about two hundred thousand dollars which was sold for forty dollars. I can give you instance after instance of that kind, in Morelos and Oaxac.

One of the things I wanted to investigate at first hand very, very carefully, was where the ammunition came from, because I had heard these charges that the ammunition was sent by the financial interests of the United States. There is no use putting down one man's opinion on one side and some other man's opinion on the other side. The only way is to get someone to go in and examine the rifle and centering of the cartridge. I was fortunate enough to get an American Army officer to do that in the Felix Diaz territory, and his testimony was that the ammunition and all the rifles were taken, either stolen or bought from the Carranza garrisons; that the dynamite was taken from construction trains or mines, and the gold with which they bought the ammunition and the rifles was got by holding up the trains coming up once a month with the customs receipts. If you watch the Mexican papers you will see that things happen with regularity. At the time the custom receipts come up at the end of the month, there is a lot of dynamiting of the trains. The next thing is that there are a lot of raids. Because of the gold they get they go into the Carranza garrisons and buy guns for raids, and the things just happen in that way. As to the ammunition coming in from the United States from the friends of the revolution, I say, after the most thorough investigation that can be made, that there is not a record of 10 cents' worth. I did not investigate before the 1st of January but have no record of any from that time.

Senator BRANDEGEE. Any what?

Miss LAUT. Any ammunition or military aid or anything of that kind, coming in from the many interests in the United States.

Senator BRANDEGEE. What kind of guns are these?

Miss LAUT. They were the old Mausers and Japanese guns that the Carranza Government bought from Japan.

The CHAIRMAN. Huerta bought some.

Miss LAUT. Yes, sir. There were a few Winchesters that came into the Carranza camps and garrisons when the embargo was lifted on arms. The cartridges are so badly made that only about one out of 10 ever goes off. They always jam, and in that way they can be identified. I said to the officer who made the investigation, "Do not come back with opinions, but make a thorough investigation."

If you want more testimony of that kind, I can say that the Felix Diaz leaders came to see me and they said, "We understand that you are very close to various bankers." I said, "Yes." They told me they were absolutely destitute of ammunition, and I told them why

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it was an impossibility at the present time to supply them, that the whole Mexican situation has to be settled by Governments and not by private corporations, and that on account of the bankrupt state of the world owing to the Great War the debt is such a vast one that no private firm will make a loan to a nation. Absolutely no money of any kind has gone into that Diaz faction, nor has there any gone into the State of Oaxaca.

Senator BRANDEGEE. Before that was there any that went in?

Miss LAUT. Not that I know of. I do not care to discuss what I do not know. I hate opinions, and I love facts. I know it to be a fact that none has gone there from the 1st of January.

As to conditions in the Tehuantepec area, out of 82 large plantations owned chiefly by Scotch, English, and French—there are some Americans in there—all were destroyed but 2. I got that information from people whose property was destroyed.

Again and again it has been stated here that there is no starvation there. I want to tell you three episodes that touched me just as much as the suffering of women and children.

I have seen poor peon women crossing streets in any one of the cities—it does not make much difference what city you take—and they would watch the street sweeper sweep the offal off the street into his dustpan. In it may have been a cob of corn, and they would dart forward and get it and eat it.

I think of the case of a woman with two babies clinging to her and one in her arms. A cob of corn was swept on the dustpan of the street sweeper. She darted forward and got it. There were only three kernels of corn on the cob, one of which she gave to each babe.

People do not do that when they are just beggars. They do that only when they are hungry.

I have seen in Vera Cruz as many as five children stand behind the pillar as we ate our dinner at night in one of the open-air restaurants. We would see these little black-beady eyes looking at us hungrily behind the pillar. It made me feel that it was a crime to eat. And the waiter would take away a plate, and with their hats or a piece of paper grabbed out of the ash can they would take the scraps off the plate.

People only do that when they are hungry.

I think of one little tot, that was about 5 years old, down in the hot country. It haunts me yet. I never saw such hungry eyes. I happened to have fish that night, and there was not much left but the fishbones and the gravy. He darted forward with a piece of paper taken out of the ash can. We gave it to him. It struck me as so pathetic, because he did not eat it. I said to the waiter, "Ask the kid why he does not eat it. Tell him to come back and we will give him a meal." And that little child said, "There are hungry babies at home," and he just ran like a little hungry dog with a bone to carry the food home.

Well, I may see these things through a woman's eyes, and I do see them through a woman's eyes, and they are universal in Mexico to-day.

As to the cost of living, we have been told that the revolution benefited the poor. Milk is selling in Mexico to-day at about 35 to 50

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cents a quart, meat at a dollar a pound—so the poor have to eat horseflesh. Flour is 50 cents a pound. If that is good for the poor, all right.

Senator BRANDEGEE. That is in Mexican money?

Miss LAUT. No, sir; American money, from Tampico down to Tehantepec.

Do you wish me to speak on the question of labor, Senator Fall?

The CHAIRMAN. I think so: yes.

Miss LAUT. The statement has been made that the constitution favors labor. The constitution does permit strikes, does permit unions: it guarantees the right to strike; but the minute there is a strike by decree strikes are forbidden, and here is what happens.

In connection with the strike, I have some figures here somewhere, and you can check me if I am wrong. Two to three hundred police were slaughtered by the Yaquis, 160 or so citizens of Mexico City were shot up. That whole thing was in a contest between the police and the soldiers. It was a provoked thing to keep the labor union from holding strikes. That finished the first strike which the new constitution guaranteed the right to have.

The CHAIRMAN. We have files that will be placed in the record with reference to strikes, followed immediately with the decree three years ago that any man who in any public assembly suggested or spoke of a strike should be shot. That is an official decree.

Miss LAUT. The last of these wonderful guarantees of life and property and protection of labor was the striking teachers, and they got rapid-fire guns.

That is all I have to say on the labor situation.

There has been a great deal brought up to the effect that Mexicans hate Americans. I do not find that to be true. I find that the Mexicans love the Americans, except the looters, who want "to cut the gringoes' throats."

Let me tell you just one story on that.

In a great mining area of about 100 miles—I can not tell you except in executive session where the mining area is. My informant is a very prominent doctor—but when the American financial interests were withdrawn from that area starvation and lack of food and malnutrition killed 50,000 people in six months, chiefly the old and the young, the coming back of the Americans was welcomed as a thing from God.

Before closing these rambling statements, may I refer to the charge made this morning about my pro-Germanism, Senator Fall? I hope it is not distressing to any one who is a friend of mine.

Last winter as a member of the civic federation I was asked to make suggestions as a Canadian for an exchange of lectures between the Canadian Cabinet and the Secretaries here to perpetuate good relations among the Allies. I went up to meet the Canadian Cabinet members and to get the lecturers down from Ottawa and was arranging for receptions to the United States Secretaries there when the charge was made that I had been mixed up in pro-German affairs. To anyone who knew me the thing was so funny that people simply waited, because I had worked with Sir Cecil Spring-Rice from the time the war broke out until he died. Of all the papers in the United States, only one stated it. They went on record that the

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thing was a mistake, and it was. I am not going to mention the one paper that made that charge. I had written 78 articles exposing German plots before the United States went into the war. I had issued a book written by the man who was at the head of the publicity bureau of the Liberty Loan and I had issued that when I was editor of the Forum, because not a single publisher would issue the book for fear of being sued for libel. The Germans had accused me, or at least had threatened to sue me for that book, but they were told by the lawyer, "If you take Miss Laut to court she has all these documents from Sir Spring-Rice, and you will get more exposures than the book makes," and the libel suit was withdrawn by the Germans.

Mr. Roosevelt wrote the preface to that book and Mr. Roger Wood, the Federal attorney, who was prosecuting German plotters, wrote the introduction.

I asked that this statement that was made by mistake be rescinded. The paper that made the statement asked me to explain. I said I had nothing to explain. I said, "The explanation is up to you. I get in at 7 from Canada and if by 7 o'clock to-morrow your explanation is not forthcoming I will give you a chance to prove it in the courts." The suit is in court and will come up in the fall. The record of the suit is here. I state that because Mr. de Bekker, knowing perfectly well that that suit is on, made that statement this morning about me, which is exceedingly misleading. As I told you, I never make explanations. What I write is my explanation. I stand on my record. It was an error, and I know the paper that issued it realized it was an error and it was the only paper of thousands in the United States that issued that error. I want to clean this up, because Mr. de Bekker has put it on record and he knows it is false. He knows it is false because he happened to be on the paper that is being sued by me.

There are one or two other things that in justice to the church I think ought to be cleaned up.

In this Carranza publicity which has been issued by the League of Free Nations reference is made to a statement by the bishop of Guadalajara speaking against armed intervention. I have the statement of the Catholic bishop who deals with Mexican affairs in North America that when that statement was issued by the bishop of Guadalajara it referred to interference by the I. W. W.'s—because all this trouble in Mexico has been caused by the Bolsheviks and the I. W. W.'s—and when that statement was put out by the propagandists "I. W. W. interference" was translated to "armed intervention." I think, out of justice to the Catholic church, although I am a Protestant, it ought to be put on record that they did not issue that, that it was a mistranslation of propagandists.

We are told in the Bible that we must bear the infirmities of the weak. It seems to me the same Good Book says that you shall not bear false witness against your neighbor. At the very time that the charge was made that the oil interests were financing intervention, the oil interests had put up $40,000 to help the church campaign, the union of Protestant and Catholic churches, to place before the American public the necessity of helping Mexico.

I emphasize the word "helping," because the propagandists have used that word "intervention" as a football to such an extent that

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the minute you say it up here you cause difficulty down there. So I say "help." The thing is such an injustice, because that help was extended to the united churches, and I am the connecting link between those churches and the financial interests, and I also am the means of bringing the Catholics and Protestants together on this question.

The condition of the churches going to work was that there should be absolutely no mention of intervention or nonintervention and no sectarian proselytizing. The intention was to put in 20 healing clinics in every State in Mexico to take care of the orphans, to bring them up free from the conditions under which they are growing up, and to save them from starvation. I think it is only fair that that should be put on record for the sake of the churches.

The CHAIRMAN. By what organization of ministers or churches was that money paid?

Miss LAUT. Senator, it rather scares me to say that the money was paid to me personally; that the only way that I could keep free of any charge that I had handled that money through a personal account, I immediately indorsed it over to the head of the Latin-American Church Bureau.

The CHAIRMAN. Who was that?

Miss LAUT. May I give you that name in executive session or shall I do it now? I will give it to you now. Dr. Teeter. The witnesses so far know so little of what the churches are actually doing that they do not know that the big church movement is under way in Mexico now and the members of the movement are in Mexico now working on that.

The CHAIRMAN. I asked one of the witnesses here a few days ago if he did know Dr. Teeter.

Miss LAUT. Yes.

The CHAIRMAN. You were present, I think, during the examination?

Mr. LAUT. I was.

The CHAIRMAN. And the witness testified that he did know Dr. Tetter. This was Dr. Inman. I think he did say that he knew Dr. Teeter. He did not name Dr. Farmer. Dr. Teeter is the minister to whom you turned over the funds?

Miss LAUT. Yes, sir. They are very busy now on this campaign.

Reference has been made to Mexico dealing with the same problems as after our Civil War. I have no patience with that statement. If you can think for one minute of any soldiers in the Civil War carrying off 200 children and putting them in a compound to abuse them till they died, then I will believe that kind of guff.

There was a reference made to an exaggerated story of atrocities. I am the miserable sinner responsible for the story. It was said that Osuna was carried off. Osuna was not carried off. He was captured; he was not carried off, because the band of bandits who caught him had so few horses that they had to decide whether they wanted human prisoners or loot, and they decided that loot would be more valuable.

Reference has also been made to Osuna as one of the important upright workers in the Carranza administration. That is true. He is so upright that he has been thrown out of the Carranza administration on a trumped-up, false charge.

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Reference was made to the prosperity of the country because the national income was from two to three times as large as it was in Diaz's day. If it is two or three times as large as it was in Diaz's day, why is not the army paid? Why are the teachers not paid? Why is the land not pacified?

Slanderous statements about Diaz being rich have been made. Diaz died in poverty, and if one witness who was at this table had not contributed money to Diaz because he was in poverty, he would have starved. Mrs. Alex Tweedee told me if Madame Diaz had not pawned the jewels of her family, they would not have had enough to subsist. That kind of talk is too preposterous.

With reference to the law being retroactive to confiscate foreign property, I want to say something because of the mental confusion of the American public. The Mexicans have assured us that the law would not be retroactive. They gave us a public lunch, and they assured me that the law would not be retroactive. It struck me as such a dangerous thing to send out to the United States unless there was an official guarantee to that unofficial statement, that I asked a very prominent American jurist whom I happened to know, and a representative of the French financial interests who happened to sit at the same table in my hotel and who was close to the finance minister of Mexico and the President, I asked what they thought about it before it was issued to the United States. While that was told to us at a gracious luncheon, it was repudiated privately to this American jurist and French representative, and we decided not to send that statement out, that the law would not be made retroactive, until there was sufficient proof.

In spite of that fact the statement was sent out and published through the American press. I am sorry to say that Mr. de Bekker was not present at the luncheon, because we all wanted him to be present. He was with Mr. Carranza at the time.

There is another thing in connection with the retroactive law that does not bear on the American property, but bears on the Canadian and Scotch and English property. You see, the oil interests of the United States, the largest oil companies, bought their land outright, but the British and the Canadian companies leased it, and they leased it on a basis of rentals and royalties. Here is where the little joker comes which the public does not take in.

This happened when I was sitting in the oil office of a foreign company. Pancho came in, and he was getting five dollars an acre for rental for the leased land. It was not oil land; it was land that was going to be used probably for pipelines, or terminals at other operations. The Carranza government demanded that the company should pay half that rental to it instead of to Pancho. If they had done that they would have annuled their lease with the Indian, and confiscated their property. Because they did not do it they were stopped from operating. If they paid that, they broke their lease. If they did not, they disobeyed the orders of the Carranza government and were stopped from drilling. There is no use in saying the law is not retroactive when the system, if you can call it a system, of rentals or royalties practically amounts to confiscation and destroys title.

I think it ought to be said, in justice to the Mexican people, that they do not wish to confiscate property. It is only that section of

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the I. W. W.'s, who have got control of the balance of power there that are for a policy of confiscation. When Ferrar was shot in Spain, 10,000 anarchists poured into Mexico, and that is the meaning of the revolutionary movement and it is the cause of three-fourths of the hostility to property interests and to life.

With reference to Mr. Trowbridge, he told me that his book was written in conjunction with the United States Publicity Bureau and Mr. Weeks, pending the European war, as publicity propaganda, but when the war stopped suddenly he issued it privately. It seems to me that not too much weight should be put in the League of Free Nations, which quotes Mr. Trowbridge under those circumstances, because while Mr. Weeks has a very charming personality, he is acting in the capacity of pleader for the Carranza Government at this time.

Senator BRANDEGEE. What do you mean by that?

Miss LAUT. He handles their publicity in Mexico City, Senator, and he handles it through the Mexican Review, which is published in Mexico in Spanish and in English.

Senator BRANDEGEE. Has he any office in any way under the Carranza Government?

Miss LAUT. No; he simply handles the publicity bureau for them.

Senator BRANDEGEE. Is he retained by the Government?

Miss LAUT. I would not dare to answer that; I do not know. The only thing I know is that he handles that bureau there.

Senator BRANDEGEE. When did the 10,000 Spanish anarchists come into Mexico?

Miss LAUT. Immediately after the Barcelona riots.

Senator BRANDEGEE. I mean, what year was that?

Miss LAUT. I would have to look that up—8 or 10 years ago, I think.

Senator BRANDEGEE. That is near enough.

The CHAIRMAN. About 1908, I suppose.

Miss LAUT. One of the States referred to as being pacified was Coahuila. Gov. Mireles is one of the upright members of Carranza's Government; but the fact that Mireles is so upright has exposed him to the most frightful attacks of the corruptionists.

About the murdering of Boy Scouts—that ought to be put on the record. We are told that the railroads are not more dangerous than the railroads in Tennessee. I am going to tell you a story that comes from two sources absolutely reliable, one by an American woman and one by an American man——

The CHAIRMAN. It also comes from the Universal and the other papers?

Miss LAUT. Yes; but the inside fact which the Universal did not tell is the fact that a Carranza officer warned these Americans not to get on the train. They said, "Why?" "Because," he said, "there are 80,000 pesos in Government money going on that train."

When the train was blown up and those Boy Scouts were murdered, 15 or so of them belonging to the missionary school, the bandits did not get 1 cent of that money, but the Carranzista who had warned the Americans not to go on that train. And the money, which went on that train, has never been seen from that day to this.

Reference has been made to a resolution made by the missionaries. I was in Mexico City in February when the resolution was

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made. It was stated by the witness, and you realize that if the other missionaries had not backed that resolution they have to go. There would have been 33 or out of the country. The story of that resolution was sent out to the New York Post. It was released and appeared two or three days before hand as New York Post Dispatch—I can not recall, but you can look it up—in the Mexican press before it was published in the United States. What is the use of talking about a thing like that?

About the land problem being pacified in Morelos. The revolutionary necktie is one of the favorite methods of putting down revolutionists by the Carranza army. I have some examples of what might probably be called atrocity photographs. Nineteen men were taken out and a telegraph wire was strung through their jaws or put through their mouths, and they were hung and left to die by inches. I know of another case where nine were taken and the same sort of necktie applied to them.

The CHAIRMAN. I notice that the necktie seems to be popular there.

Miss LAUT. Yes. I have some photographs of the revolutionary necktie doing duty. Here they are. In the destruction of property in Moralos the things has reached criminal proportions. The whole thing is a land problem. They have destroyed the ranches in Morelos; they have carted the machinery away and sold it for junk. A ranch sells for about 5 cents on the dollar and it is bought up by the junta of corruptionists. We have been told that only 30 families own estates. Over 500 small farmers own areas of from 50 to 200 acres in one section alone.

I may have spoken too feelingly as a woman, but I always consider that a nation will rise just exactly so high and no higher than the safety and the purity of its womanhood. I may see red. If I see red, I see red, and a lot of women in America are seeing much redder than I see on this Mexican problem. Those who have been accused of financial intervention are the people who are putting up the money to redeem Mexico. If that is propaganda, I am going to stand by it.

Now, Mr. de Bekker says, "Who is Miss Laut's master?"

I want to put on record who my master is. My master is the Master of every one who stands for truth. My master is the Master who said "Suffer little children to come unto me, for of such is the kingdom of heaven," and "Inasmuch as ye have done it unto one of the least of these, my brethren, ye have done it unto me." That is my master.

That, Mr. Senator, is all I have to say.

The CHAIRMAN. Let us look at those photographs here a minute.

Miss LAUT. There are one or two of those sent up by a film company on the border for which I do not vouch, but all these which are not marked by that particular film company are personally known to me, and you will find the revolutionary necktie in all its glory.

The CHAIRMAN. You have an interesting collection.

Senator BRANDEGEE. Have you heard any of the members of this Association to Protect American Rights in Mexico state that they wanted the Government to intervene by armies in Mexico?

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Miss LAUT. I have heard everyone that I have ever heard mention the subject say that they did not want to advocate armed intervention, but they are not going to put themselves on record against it or for it, because if crime continues it is a matter for the Governments of the foreign nations. It is not a matter for a corporation.

Senator BRANDEGEE. I thought in answering the question I asked you before as to what you meant by your report being not exactly what some of these members of this association had been expecting to say——

Miss LAUT. Well, the charge has been made so often that the financial interests, the great miners, the great banks, the oil interests, want intervention, and now when I came back instead of reporting for intervention I said this was mixed up with politics and let us try a campaign of redemption, because if we get the human side right the financial side will take care of itself.

Senator BRANDEGEE. Why was that discussed at all by you and these gentlemen when you got back?

Miss LAUT. Because, when I was there the press was ringing with just such charges as these propagandists had made as to American interests plotting intervention, because it was endangering every white throat in Mexico.

Senator BRANDEGEE. In what respect was your report not what they had expected?

Miss LAUT. I would not say that, but I say if they are guilty of what the propagandists say they are guilty of, they must be disappointed; but I do not believe they are. But when these charges were made and I advised a redemptive campaign they adopted the redemptive campaign which will prevent war if put in effect quick enough.

Senator BRANDEGEE. Do you think that irrespective of the kind of government they have there mere charitable work that can be done by philanthropic people in this country will produce conditions in Mexico which will establish a stable government of the self-respecting and prosperous people?

Miss LAUT. No, Mr. Senator. Here is my hope, and I have never concealed it in the least, that if you could unite the people in the United States in a movement to help Mexico irrespective of party politics or church denominations, and unite the Mexican people irrespective of party politics or church denominations, and those two peoples united, the best peoples of both Nations set their faces to the light to bring that end about, no government, or corruption, or power would stand in their way. And I hope to God they will do it, because I see safety for Mexico in it and I see nothing but suffering and chaos without it. Things can not go on as they are. That is an impossibility from a humane point of view.

Senator BRANDEGEE. Of course, this committee is directed to ascertain conditions in Mexico and the extent of the lawlessness and the violation of the rights of American citizens and to report what they consider to be the remedy for it.

Miss LAUT. Yes.

Senator BRANDEGEE. Now, I understand in a general way what you think ought to be done, but I am trying to see how it is practical for your requirements to be met, that all the good people of this

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country get together and all the good people of Mexico get together and resolve that they lift Mexico and purify it, etc. With all the bad people you say there are in Mexico, how are they to be gotten rid of?

Miss LAUT. Mr. Senator, I would say that the element that is working the destruction of Mexico to-day is not one-half of 1 per cent of the population, but they have the firearms; and if the better elements in both countries united and demanded that those conditions be remedied, no matter how, and they shot into that country a thousand carloads of food a week and put in the aid to pay the soldiers, why, you don't need to have cut-throats getting loot. I have not any hesitation in saying that Mexico could be pacified in two months. It is not pacified because it is paying a lot of scoundrels and thieves not to have the country pacified.

Senator BRANDEGEE. What soldiers do you mean we shall pay—the Carrancistas or the Zapatistas?

Miss LAUT. I answer, soldiers that you can depend upon.

Senator BRANDEGEE. I do not get much light from the answer when you say that.

Miss LAUT. You ask some of the best Mexican element for it, and I consider they will give you a very much wiser answer than I, because, as I say, I love to keep to facts, and Mexico has been so befogged with opinions I am scared stiff of them. But the good elements of Mexico have their plans for coalition, the best people, to bring about reform conditions, but they can not do it if they have on their neck a corrupt junta.

Senator BRANDEGEE. I understand that, but I mean as a practical matter now.

Miss LAUT. Yes.

Senator BRANDEGEE. Suppose our Government has no intention whatever of intervening by force of armies, and does not want to, but is willing to try some such movement as you suggest.

Miss LAUT. Yes.

Senator BRANDEGEE. If all the wicked people have got guns and all the good people haven't got any, and we ship food in, who do you think will get the food?

Miss LAUT. Mr. Senator, suppose our people were united on that and that they had not been defiled by such propaganda as we have got in the evidence here, suppose that they united that conditions in Mexico must be remedied for humane reasons, can you conceive for a minute of certain military governors who are scoundrels being maintained in their positions? Suppose the import of arms should suddenly stop and the embargo of the ports stop the sale of certain Mexican products, and tax collections did not go up once a month, how long do you think the corrupt junta would last?

Senator BRANDEGEE. I do not know. I have never been there and have not made a study of it and you have, and I was rather asking you.

The CHAIRMAN. You say you would stop the imports from going from the gulf ports to Mexico once a month. Where would you stop them?

Miss LAUT. There are various ways, I think, for that. If we look into the European war we will find that blockade did quite as much as the firing line. If the taxes that are levied on——

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The CHAIRMAN. Who would suffer if Mexico were blockaded now through a blockade of the border and of the ports of Mexico?

Miss LAUT. I should say that if the tax collections that are taken out of foreign interests were stopped for three weeks the corrupt influence of Mexico would not last—well, about 15 minutes. I mean the taxes which are taken from these foreign interests which they curse are sustaining them.

The CHAIRMAN. But we could not blockade Mexico without withdrawing recognition from the Government, or without refusing to further recognize the present Government.

Miss LAUT. I was leaving that, Mr. Senator, for you to say, because I do not like to express opinions. I like to express facts. I see that as plainly as you see it.

The CHAIRMAN. I can understand if you take bread-wagons down there with sufficient cargoes of bread you could break up any Mexican armies provided you can safeguard the cargoes of bread until you get them where you want them.

Miss LAUT. Yes.

The CHAIRMAN. But how do you propose to do it?

Miss LAUT. I do not propose to do it. I think that is a matter for our Government to decide, Mr. Senator.

Senator BRANDEGEE. Well, do you think that there is among these varied elements which you have described in Mexico a disposition and capacity to do these desirable things that you suggest, or have we got to do them?

Miss LAUT. Mr. Senator, I think they are praying God for such a movement to help them now.

The CHAIRMAN. In other words, they are praying for some strong hand and some outside help?

Miss LAUT. Right now, universally.

The CHAIRMAN. They want help against their bandits or against their Government?

Miss LAUT. It is a frightfully hard thing to distinguish those two, Mr. Senator.

Senator BRANDEGEE. I suppose a good many people in the country are opposed to the Government and the Government has the pretense to be opposed to bandits. Do you know enough about the general opinion there to know whether they know what they want to do, even those who genuinely want the situation remedied?

Miss LAUT. I think first of all they want help to get rid of the corruption that is sapping the life of that nation. Now the form of that help I consider is something for the Government to discuss and not for myself. I can bring, as a journalist, a report of facts, and if a record of facts is placed before a democratic nation, the votes will decide the rest.

The horror of this Mexican situation is due to the European war. The facts did not come out of Mexico for four years, and Mexicans were spreading propaganda and we did not get the facts. Now, the facts are Mexico needs help and they must have it in the name of humanity, and if we do not make a football of this thing in politics that Mexico must be helped, but desire to help and not dismantle, you would be welcomed by 90 per cent of the Mexican people with blessings and welcome.

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Senator BRANDEGEE. Let us assume that the facts are as you state them.

Miss LAUT. Yes.

Senator BRADEGEE. And that there is a crying need for a remedy to be applied to end all this suffering and injustice.

Miss LAUT. Yes.

Senator BRANDEGEE. They have a government there?

Miss LAUT. Yes.

Senator BRANDEGEE. How are some charitably inclinded people in this country, and a similar group in Mexico, to get together and do things to get rid of the corruptionists which is an internal thing in Mexico—how are we to do it by these voluntary associations and our Government keep out of it all the time?

Miss LAUT. These voluntary associations fortunately have votes, and that is what I should hope to influence through a united church movement, and if they said these corruptionists must be turned out and not sustained, they would be turned out.

Senator BRANDEGEE. Do you mean the corruptionists are in the Government now?

Miss LAUT. Down there?

Senator BRANDEGEE. Yes.

Miss LAUT. I should say about 75 per cent are corrupt; yes. About 25 per cent are decent men and about 75 per cent are corruptionists. If Carranza departed from the present system of corruption he would be assassinated.

Senator BRANDEGEE. Suppose the church association in this country, well financed, well meaning, and charitably inclined people, go down into Mexico and make an announcement that all good people are to gather around them and throw out the Carranza government, and throw out the corruptionists, wha do you think ought to be the attitude of our Government to allow that thing to go on with a friendly Government, a Government with whom they are at peace?

Miss LAUT. Mr. Senator, you see we not only hope to unite the churches down here but propose to unite the churches down there. Now, suppose the churches here say to our State Department: This condition of inhumanity and cruelty and corruption has to stop, let fall who may, and suppose down there the good people say the same thing.

For instance, at that same luncheon I spoke of, there were addresses by two young members of the House of Deputies, and supporters of the Carranza government. They said, "We will drive these thieves out and spend our last breath in doing it."

If I had said that I would have been run out.

Now, if we will not strengthen the corruptionists by supporting them, as we are doing, they would fall like a house of cards.

Senator BRANDEGEE. How do you mean supporting them?

Miss LAUT. Recognizing them when you should not. You are supporting them with the importation of arms.

The CHAIRMAN. That has been closed recently. That is, an embargo has been issued recently.

Miss LAUT. Yes.

Senator BRANDEGEE. It seems to me if we should go in on that kind of a program, desirable as it might be, you could not expect

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any government of corrupt officials to yield peacefully and give up their industry, and that precipitates a debate there which probably would not be very parliamentary. Then what our Government would want to do about it I do not know.

Miss LAUT. Well, our Government is a democratic Government. It would do what the majority votes demand.

Senator BRANDEGEE. Probably they would if they stood by the platform upon which they are elected. But I do not really see clearly the ultimate success of this sort of a charitable intervention as guaranteeing ultimate stability.

Miss LAUT. Well, you can not have ultimate stability if the corruptionists remain in power.

Senator BRANDEGEE. I agree with that, but there may be several ways of getting them out.

Miss LAUT. Well, that is what I hope to bring the pressure in effect to do.

The CHAIRMAN. Just a question there. Do you know anything about the last election in Mexico? Did you find out anything about that in your investigations?

Miss LAUT. You mean for the present Government or the State?

The CHAIRMAN. Yes, for the constitution.

Miss LAUT. Yes.

The CHAIRMAN. Or the State Government.

Miss LAUT. Yes.

The CHAIRMAN. Or for the President or anything else—any election?

Miss LAUT. Yes.

The CHAIRMAN. Who were allowed to vote at these elections?

Miss LAUT. I think in a country of 15,000,000 population the total number of votes polled was something like twenty thousand.

The CHAIRMAN. Assuming that there is a full number of votes—my recollection of the history is there were some twenty-four thousand votes cast for Maximilian. He would not accept the call to the throne of Mexico until the Mexican people had passed upon it, and in the election there were 24,000 votes polled for Maximilian. But assuming that there are 20,000 votes polled at this last election out of 15,000,000 of people, we have a constitution of Mexico here and we know that under the constitution the entire population over eighteen years of age are voters—that is, the male population, and among the reform laws which were adopted as a part of the constitution of 1857 and 1874 I think there is a fine against anyone who does not vote in Mexico. Now assuming that there were 20,000 votes polled at the last election were the votes free, was anybody who wanted to vote allowed to vote, or were there instructions issued as to who were qualified voters?

Miss LAUT. Instruction were universally issued. Not only instructions issued, but soldiers placed there with bayonets and pistols.

The CHAIRMAN. Was the voting confined to any particular party?

Miss LAUT. Confined to the military junta.

The CHAIRMAN. I have some of the proclamations for the city elections and others issued down there, and I was wondering if you knew what the restrictions were.

Miss LAUT. No; I do not know that.

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The CHAIRMAN. Were any of the Villistas or Zapatistas or any other "istas" besides the Carrancistas allowed to vote?

Miss LAUT. I would say only the Carrancistas who were going to support the military nominees.

The CHAIRMAN. Had you had your church program down there and they agreed to an election, and the military party was in power when the election was held, do you suppose there would be a free and open and fair election?

Miss LAUT. Mr. Senator, if we permitted munitions to go into all the people or no munitions to go in at all, they could settle the problem; but we permit the munitions only to go to the party who has its heel on the neck of the rest of the population.

The CHAIRMAN. Well, that is supposed to be stopped at the present time. I do not know how long the order will continue, but it was issued very recently, not permitting any more munitions to go in from this country. That, however, does not close the ports nor the Guatamalan border. It merely means across the borders of Texas, New Mexico, Arizona, or California. That is the only part of it we could control. But if it was made effective, if we did what we did with Huerta, if we put our ships of war in the ports of Mexico and stopped the delivery of munitions anywhere in Mexico and closed the border ports, the southern boundary line of the United States and the northern boundary of Mexico, so that no munitions could get in there, the munition that is being made there, indifferent as it is, maybe, is being made by whom?

Miss LAUT. It is being made by the Carrancistas.

The CHAIRMAN. And have the anti-Carrancistas any facilities for making munitions?

Miss LAUT. None whatever, because we have engrafted on them the system which has put them into power of one-half of 1 per cent of the population.

The CHAIRMAN. Then it would mean inevitably after the anti-Carrancistas had shot away their ammunition the Carrancistas would have some character of munition, indifferent though it might be.

Miss LAUT. Yes.

The CHAIRMAN. Do you still think that the unison of the good church people of this country and the good people of Mexico—and I join you in the tribute which you have paid to the Mexican people—that those good people all united could bring about quiet and order and peace in Mexico?

Miss LAUT. Mr. Senator, that question came up one night when a lot of the representatives of the foreign nations were sitting about the dinner table and the question was asked why are the Carranzistas in power when the Mexican people don't want them in power, and one of the representatives of the French Government took a lead pencil and he put his finger above it like this, and he said, "Why does that pencil stand up?" And the others said, "Because you hold your finger on it." He said, "That is why the corruption is being held up here in Mexico to-day because we have made a mistake in our diplomacy."

I did not want to venture into that because I wanted to keep on noncontroversial topics.

The CHAIRMAN. Yes. Still we are after the truth from those who know what the truth is. The Frenchman at any rate thought that

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by the American Government keeping its finger on affairs in Mexico, as it has, that it is in that action sustaining the corruption in Mexico?

Miss LAUT. Yes. They thought Americans had been misinformed, mislead, and, to a degree, betrayed, but that, of course, led me into expressing opinions and, as I said before, I loath opinions. I have to deal with the facts.

The CHAIRMAN. Now, these articles you have been writing for the press in this country and in Canada concerning Mexico, are they being paid for by the Association for the Protection of American Rights in Mexico, or being paid for by those to whom you send them—I mean, by the papers?

Miss LAUT. Absolutely not a dime by the Association for the Protection of American Rights in Mexico, and every single article paid for by the magazine or newspapers which issued it, but one. I did not charge for the Human Review, and not only did not charge for that, but I did worse. I sent out several thousand copies of that article to philanthropists of the United States to get them interested in the children of Mexico.

The CHAIRMAN. What I am getting as is this: You are not writing propaganda articles in that sense?

Miss LAUT. If propaganda is trying to help the women and children of Mexico, I will stand for it that I do, but if propaganda means I am upholding any political opinion or doctrine, absolutely not at all.

The CHAIRMAN. I did not mean exactly that. I did not express myself well. The charge is bandied backward and forward here that certain people are carrying on a propaganda—it has been testified to here—against armed intervention by this country in Mexican affairs. They make a charge apparently, whether sustained or not, and that is what we are trying to get out, that other people—Americans—are issuing propaganda for the purpose of bringing about armed intervention in Mexico and the taking over of Mexico for the benefit of those who have oil interests and mining interests there and the same parties who seek to acquire other oil and mining interests in Mexico. Are you being paid by any such interests, American interests, or any other American interests except the papers for which you write, for the writing which you do?

Miss LAUT. Absolutely not except in one capacity, as the connecting link between the churches and the financial interests. But when people make out a check that may run up to $40,000 to help the church movement some one has to be responsible for that, and I am responsible personally for that, but only as the link between the people who are trying to help Mexico and the churches am I paid.

The CHAIRMAN. But for the writing are you paid?

Miss LAUT. Not a line.

Senator BRANDEGEE. That $40,000 was not paid to you?

Miss LAUT. No; to the churches. And I think I worked until 1 o'clock every morning since I got back from Mexico, and I have given up days and weeks to establish and organize a union among those churches.

Senator BRANDEGEE. You are not advocating intervention by this Government?

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Miss LAUT. Our entire movement is a preventive campaign, to avert war, to avert intervention. I do not know whether we will succeed. That depends on whether the crime stops.

The CHAIRMAN. Then you are not a party, at any rate, for armed intervention in Mexico?

Miss LAUT. Mr. Senator, I wish I could meet that animal that is working for armed intervention in this country. I see talk everywhere about it, but I do not find a single fact to sustain the charge. When I was in Mexico there was a good deal of propaganda to put down intervention by this country. Mexico is a paradise, and when you think of a land so large and so rich, where 9,000,000 people live so close to starvation, there is something rotten in Denmark. And then the statement was made that financial interests in the United States had financed the Madero revolution, and I knew the man who made that statement, and I had the greatest esteem for him. We were walking through the park and I said, "Who told you that?" He said, "A member of the Carranza Government." I said, "I like facts. Will you tell me which corporation did that, and how much money they put up for the Madero revolution, and when they put it up?" He said, "Don't you know such and such an oil company put up $750,000 Mexican, which is about $350,000 American?" I said, "Give me the names. Whom did they give it to?" He said, "They gave it to Gustavo Madero." I simply laughed. I said, "Gustavo Madero took that from hypothecated bonds sold in the French market and the French broker who helped him in the steal is serving a term in the penitentiary now, and the money stolen was replaced the minute Madero got in power." That is how much there is in one report.

The CHAIRMAN. That was reported to the Senate six or seven years ago.

Miss LAUT. And yet that thing was put out in Mexico City last winter, copied and recopied all through the American press.

Senator BRANDEGEE. You spoke about the way the elections were held, and if I understand you, they practically are allowed to only vote one way, to vote for the military party?

Miss LAUT. Yes.

Senator BRANDEGEE. Was not that a similar condition under the old Diaz regime?

Miss LAUT. If I answered that I would be answering from record, and not a matter of fact, which I saw; but I understood it was, and that was one of the conditions they were trying to remedy.

Senator BRANDEGEE. Practically the same.

Miss LAUT. Yes.

Senator BRANDEGEE. So that Mexico never has had a popular form of government, in the sense we understand it?

Miss LAUT. Mr. Senator, I think the tragedy of that country is that it has been the victim of exploitation by its rulers for 400 years.

Senator BRANDEGEE. Well, they have been used to a strong military, centralized government, have they not?

Miss LAUT. Yes.

The CHAIRMAN. Did not Madero have a fair election?

Miss LAUT. I do not think you should ask me, Mr. Senator.

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Senator BRANDEGEE. Do you think, from your experience in Mexico, and what you saw and learned, that they are capable of maintaining an orderly, stable government through a series of years?

Miss LAUT. Not, Mr. Senator, without a strong arm of help financially, in a food way, and perhaps at intervals in a military way; but that I put on record as merely my opinion.

Senator BRANDEGEE. Yes; I understand that, and that is all any of us have, of course.

Miss LAUT. Yes.

Senator BRANDEGEE. It is a complicated situation and no one is sure about the remedy.

Miss LAUT. Yes.

Senator BRANDEGEE. Suppose this country was willing to keep furnishing food and give help and instruction and a sustaining hand to the Government, would not that immediately put the Government in disrepute with its own people that they were practically controlled by this Government?

Miss LAUT. I asked a very prominent Mexican woman that question. Shall I tell you what she answered me?

Senator BRANDEGEE. Well, I wanted your opinion rather than somebody else's, but you can answer it in any way you want to.

Miss LAUT. She said, "Pray God help comes soon, come how it may."

Senator BRANDEGEE. What effect would it have in Mexico if this Government did intervene with an army announcing that it came to establish order and stop the banditry and to help them to help themselves to set up some form of government of their own, that they were not going to stay there or annex their territory or anything of that kind? Have you any means of forming an opinion as to how that proposition would be received by the people of Mexico?

Miss LAUT. Well, I have been told by their own leaders that if such a beneficient pacification were undertaken and followed by thousands of cars of food that a hurdle 16 feet high would not stop the population coming en masse behind and supporting the movement.

Senator BRANDEGEE. Well, I have heard both sides. I have heard people state both opinions. I see that some of the military chiefs of Mexico state that any attempt by this country to send troops there and establish order would combine the whole population of Mexico against us, that the Carranzistas and all the bandits would immediately make common cause against the invader. I wondered whether you were able to form an opinion about the probabilities of that?

Miss LAUT. I think it is pretty largely politics for home consumption.

Senator BRANDEGEE. Do you think there is a large percentage of the Mexican people who are so tired of their different experiments at government and the disordered state of their country and the destruction of property and loss of business that after they did see that the Americans were trying to help them and stabilize things, that they then would support such an effort by Americans and enable them to set up a stable form of government?

Miss LAUT. Mr. Senator, I think if two things happened, if you sent in food enough to stop the banditry and money enough to re-

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open the industries that 99½ per cent of the banditry would vanish and 99½ per cent of the Carranzista soldiers.

Senator BRANDEGEE. I mean do you think that the mere sending of food would operate, as it almost seems to me like a magical wand to dissolve these bandits? Would it not be necessary if you send food in to have an army of occupation to suppress these bandits and to insure regular movement of trains and for the protection of property there and occupy the country for a certain length of time until they could see that we were helping them and not hurting them?

Miss LAUT. Yes, but——

Senator BRANDEGEE. Do you think that the mere sending in of food, and medicines, and nurses, and establishing hospitals and schools, etc., without some military force to stabilize things and prevent outlaw raids would of itself accomplish this desired result?

Miss LAUT. No, Mr. Senator; but I think with financial help to the extent of the necessities and perhaps our Army men and our Navy men training and helping them, you would get all the armed support you wanted right in Mexico. Now, if I am wrong in that, remember that is only an opinion. Behind every warehouse is a watchman, beside every bank is a strong arm. I acknowledge if we extend the financial help, some one has to sit on the till.

Senator BRANDEGEE. Now, if the Carranza government is corrupt——

Miss LAUT. Yes.

Senator BRANDEGEE. And the army chiefs of the Carranzistas are corrupt, and we simply sent in these food supplies and things of that kind——

Miss LAUT. Yes.

Senator BRANDEGEE. Have not the people of Mexico themselves got to arise and put out the Carranza government?

Miss LAUT. They have, indeed.

Senator BRANDEGEE. Well, how are they to do it unless they have armies, and munitions, and arms?

Miss LAUT. Well, if we had not confined our help exclusively to a corrupt junta at present they would have done it.

Senator BRANDEGEE. I mean taking conditions as they are to-day.

Miss LAUT. Yes.

Senator BRANDEGEE. Because there is no use moaning about the past.

Miss LAUT. Yes.

Senator BRANDEGEE. Suppose we furnished all the things your united church movement proposes to furnish to them, how are all the well-disposed people in Mexico without getting hanged one by one to organize and establish military depots and keep up supplies and drill troops, and do all the things that are necessary to overthrow a government in power and backed up with arms? How are they to do it?

Miss LAUT. I can answer that in the words of a very prominent Mexican who has never been mixed up in any revolutionary movement. He says, "Give me a loan of $30,000,000 and I can pay the troops, give me the food coming in behind, and I will pacify Mexico in one month, because the present troops are not paid."

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The CHAIRMAN. Pardon me. You have got to hold him still long enough and surround him until he can get action on his $30,000,000, have you not?

Miss LAUT. I think, Mr. Senator, that if we would stop holding up the pencil the Mexicans would help themselves pretty quick.

Senator BRANDEGEE. It seems to me now—I do not know how you look at it—but it seems to me no financial interests in this country can back up such an angel down there and endow him with the necessary funds to help this armed movement without being charged with fomenting a revolution in a foreign state with which we are at peace, and our Government certainly could not do it as a government without laying itself liable to the same charge.

Miss LAUT. But, Mr. Senator, we are not at peace. We don't keep a border control at a cost of $150,000,000 if we are at peace.

Senator BRANDEGEE. But we have not declared war on them.

Miss LAUT. I know, but the peace is not there. We are simply fooling ourselves, bluffing ourselves.

Senator BRANDEGEE. I know, but we are maintaining the form of it, whatever it is. We have an ambassador there and they have one here and we are supposed to be at peace.

Miss LAUT. Yes.

Senator BRANDEGEE. None of the things you suggest could be done without a breach of peaceful relations, it seems to me.

Miss LAUT. I think if the aid goes into Mexico the Mexicans will do the rest themselves in cooperation with the United States.

Senator BRANDEGEE. I think they will accept all the supplies you send in, no doubt, but whether they will disband the bandits and dethrone the Carranzistas I can not see.

Miss LAUT. Not without a strong arm.

Senator BRANDEGEE. That is it, and how can the strong arm be applied?

Miss LAUT. I would rather have prominent Mexicans give their evidence on that than myself.

Senator BRANDEGEE. I would, too.

Miss LAUT. Because it is so much stronger coming from them, and I know many of them who would be glad to testify before you.

Senator BRANDEGEE. Of course we will hear them. I am groping for light on this. I have no panacea of my own to offer.

The CHAIRMAN. We had one experiment before you made this trip to Mexico through the Red Cross, did we not, in attempting to supply Mexican starving children in northern Mexico and in the City of Mexico?

Miss LAUT. Indeed we did. I know the details of that.

The CHAIRMAN. You do know the details of that?

Miss LAUT. Yes.

The CHAIRMAN. What became of Miss Boardman's movement in the City of Mexico?

Miss LAUT. They were expelled, and we shipped food in on one boat and food went out on another boat to Germany. But those conditions are not similar to the conditions to-day. There was a great war on, and the whole world was absorbed in that war. To-day the world can look after things. It could not look after Mexican affairs then. That will not happen again.

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The CHAIRMAN. I have a very distinct recollection that a large shipment of Red Cross goods went into the City of Mexico, and several very large shipments of Mexican beans came out of Mexico, and were sent from there across to Cuba at the same time.

Miss LAUT. Yes; I have heard about that.

The CHAIRMAN. And then I recall, as you say, that the Red Cross was forced to come out of Mexico. By whose orders was that; do you know?

Miss LAUT. I could not tell which member of the Carranza government, but it was practically the Government, and 14,000 people died later.

The CHAIRMAN. I think Miss Boardman's report was that they were feeding, at the time they were ordered out, 26,000 meals, or 26,000 people—I am not sure about that—in the City of Mexico alone.

Miss LAUT. Yes; and 14,000 later died from lack of that care.

The CHAIRMAN. Then what hope have you that we would meet with any better success in sending supplies in there now?

Miss LAUT. Mr. Senator, it is not a hope; it is a certainty. Mexico has had nine years of crucifiction. Ninety-five per cent of the population are looking for help. At the time that happened to the Red Cross the Great War was on.

The CHAIRMAN. What does the other side intend doing?

Miss LAUT. I would say one-half of 1 per cent are in the saddle and the balance are bandits.

The CHAIRMAN. Now who would get the food if we sent it in there?

Miss LAUT. Unless you send it in with a strong arm the bandits will get it. A strong arm is absolutely necessary. That is the first thing the best Mexicans want, is to organize a powerful rurale police.

The CHAIRMAN. If they were able to do it they would do it, would they not?

Miss LAUT. They have neither the money nor the arms at the present moment to do it, thanks to our policy.

The CHAIRMAN. If we want you to give us details of certain occurrences which you have mentioned here as being willing to give in executive session we will let you know later, Miss Laut.

Miss LAUT. Very well, Senator.

The CHAIRMAN. And thank you very much for your attendance here and your assistance to the committee.

Miss LAUT. Thank you, Senator.

Now, these pictures all I can guarantee under oath as being correct except those that came from the film service. Most of them were taken under my direction, but I can not disclose how they were so taken without exposing others to very great danger.

The CHAIRMAN. The committee will stand adjourned until 11 o'clock to-morrow.

(Whereupon, at 10.15 o'clock p. m., the subcommittee adjourned until 11 o'clock to-morrow, Tuesday, September 16, 1919.

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INVESTIGATION OF MEXICAN AFFAIRS.

TUESDAY, SEPTEMBER 16, 1919.

UNITED STATES SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON FOREIGN AFFAIRS,
Washington, D. C.

The subcommittee met pursuant to adjournment, at 11.05 o'clock a. m., in Room 235, Senate Office Building, Senator Albert B. Fall presiding.

Present: Senators Fall (chairman) and Brandegee.

The CHAIRMAN. Is Mr. Boynton present?

TESTIMONY OF CHARLES H. BOYNTON.

(Witness was duly sworn by the chairman.)

The CHAIRMAN. Where do you live, Mr. Boynton?

Mr. BOYNTON. New York City.

The CHAIRMAN. What is your occupation?

Mr. BOYNTON. I am the executive director of the National Association for the Protection of American Rights in Mexico.

The CHAIRMAN. What has your occupation been for years past, generally?

Mr. BOYNTON. From 1889 until 1907 I was engaged in newspaper work. In 1907 I became manager of a banking and brokerage house, members of the New York Stock Exchange. Afterwards I organized my own firm; and the firm of C. H. Boynton & Co., members of the New York Stock Exchange, existed until October, 1917.

I was president of the Consolidated Copper Mines Co. and also president of the American-Russian Chamber of Commerce. In that connection I went to Russia in the spring of 1917 and was there nearly through that year of the revolution.

I came back and devoted myself to personal interests until I took up the work for this organization.

The CHAIRMAN. In connection with this organization, what is the character of the work that you perform, the character of your duties?

Mr. BOYNTON. In cooperation and consultation with its board of directorate I outline and work out its policies.

The CHAIRMAN. Who has charge of the publicity matter for the organization?

Mr. BOYNTON. Mr. Charles F. Carter, under my supervision.

The CHAIRMAN. In any material or matter which you send out for information or the publication of which you secure, or to which you give publicity in any other way, what is the course which you follow, if any?

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Mr. BOYNTON. Well, the matter would probably—it would depend upon how it came to our attention.

The CHAIRMAN. Just describe it.

Mr. BOYNTON. It first having come to the attention of some department of the organization it would probably be called to my attention; I would then undertake to find out the source of the information, its trustworthiness, and after making such investigations as were possible or necessary would pass on whether it was proper or improper material for the organization to use.

The CHAIRMAN. In the event some matter came up to which you thought it advisable to give publicity, or came to your attention through some witness who claimed to know something which you conceived to be of interest to the members of your organization or to others, if you desired to give publicity to it, what steps would you take toward checking it up and ascertaining the accuracy of the information?

Mr. BOYNTON. Well, first, that would depend a great deal upon what I considered to be the reliability of the individual who offered the information. If it came from some Government or official source, I would be inclined to accept that without much further inquiry. If it came from an individual we would locate the individual and make inquiries as to his general character and also take steps to check up the information at its source. I mean by that, at the point of origin, wherever the information or the news had been created.

The CHAIRMAN. What is the general purpose of this organization?

Mr. BOYNTON. I think, Mr. Senator, that in order to answer that fairly to the organization and to the committee it would be necessary for me to go into a statement as to how the organization was created and the various steps that have been taken to place in the hands of the public and the State Department an exact announcement of those purposes and aims.

The CHAIRMAN. Very well, sir; just proceed as shortly as you reasonably can to give us the statement.

Mr. BOYNTON. The continued evidence of disorder and pressure against American rights, both the right to live and the right to hold what one has honestly and legally acquired, naturally brought together in more or less consultation men and women who had interests in that Nation. They found that they were working at cross-purposes, that there was no unity of action, then there was no really well thought out plan by which assistance could be had or the Government could render aid. Naturally some one proposed that an association which could act as the channel of thought, as a medium of conference and by some unity secure a single purposeness of action, that they would get better results.

As the outcome there assembled in New York in January 40 gentlemen representing, I think, every line of industry in Mexico, the agricultural interests, the cattle interests, the irrigation interets, mining interests, oil interests, industrial interests, banking interests, were all represented at that meeting.

A committee was appointed to draft by-laws for the proposed organization. Such a committee made a report. The constitution and by-laws were adopted, and the association held, I think, its first

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meeting in January. It was then simply a form of organization without actual organization. Except that a secretary was appointed I know of no real activity of the organization until I became its executive director, I think on March 25 of this year.

When I was approached to take the position I carefully investigated what its aims and purposes were and what was to be expected of me. I convinced myself of the high-mindedness and the general character of those who were to direct its affairs, and finally agreed that I would give one year to directing its affairs.

Before that, I might say, a committee had been appointed which came to Washington and laid the prospectus of the organization before Mr. Polk, who was then Acting Secretary of State, and I am going to read, if I may, just a line from the report that was made back to the organization:

Mr. Kellogg, as spokesman for the committee appointed to go to Washington to present the prospectus of the association to the State Department, reported a very friendly and pleasant reception by Mr. Polk, who expressed his pleasure to learn of the plans of the association for publicity on Mexico, and that he welcomed and approved of it. Mr. Polk stated further that he did not wish anyone for a minute to think that the department was in any way offended or would be hostile to such a course.

Senator BRANDEGEE. Who signed the report?

Mr. BOYNTON. The report was apparently made by Mr. Kellogg and Mr. Martin Egan, the two members who composed the committee.

Later a larger committee came to Washington and presented the plans of the organization to Mr. Fletcher, the ambassador to Mexico. I acted as spokesman myself at that meeting, and I wish to add that from that day on the bulletins of the association and a knowledge of its activities have gone to officials of the State Department and up to this minute I have never received an intimation from any Government official or from any one who was in a position of authority to speak for the Nation the slightest intimation that there has been a thing done that was prejudicial to the welfare of the Nation or objectionable to the administration.

Senator BRANDEGEE. Did you speak of a constitution as well as by-laws? I do not remember what you stated.

Mr. BOYNTON. No; they are by-laws only. There is no constitution, because it is not an incorporated organization.

Senator BRANDEGEE. Well, let the copy of these by-laws go into the record.

(The by-laws above referred to are as follows:)

BY-LAWS OF THE NATIONAL ASSOCIATION FOR THE PROTECTION OF AMERICAN RIGHTS IN MEXICO.

1. *Name.*—The association shall be known as National Association for the Protection of American Rights in Mexico.

It shall have a principal office in the city of New York and such other offices as the executive committee may from time to time determine.

2. *Purposes.*—To assist in bringing about the full recognition and adequate protection of American rights and lives in Mexico, and to promote the peace, progress, and welfare of that country, and to that end to cooperate with the Governments of the United States and of Mexico.

3. *Membership.*—Corporations, associations, partnerships, or individuals, interested in these purposes shall be eligible to membership in the organization.

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4. *Classes of Membership,*—There shall be two classes of members, (*a*) active, (*b*) associate.

Active members shall consist of those who have some active property or business interest in the Republic of Mexico, jeopardized by a failure to maintain orderly conditions under which protection can be provided to life and property, and who are willing to assume the financial obligations that must be met in order to carry out the purposes of this association.

Associate members shall comprise those whose sympathy and interest are in line with the purposes of the organization, but who may not wish to become active members.

All members must be elected by the executive committee, or by a membership committee of not less than three members which the executive committee may appoint and vacancies in which the executive committee shall fill from time to time.

Any member may be suspended or expelled from the association at any time either for nonpayment of dues or for any conduct deemed by the executive committee to be detrimental to the interests of the association and upon vote of a majority of the executive committee.

All members not already belonging to any organized group representing those engaged in a special industry or occupation shall, upon becoming members of the association, be assigned by the executive committee to such appropriate organized group as may exist, or if there be no such appropriate group, shall be encouraged to organize such additional and further groups as the executive committee may deem proper.

5. *Plan of organization.*—The plan of organization shall be as follows, to wit:

(*a*) Officers: The officers shall consist of a chairman, one or more vice chairmen, the number to be decided by the executive committee, secretary, and treasurer, both of which last-mentioned offices may be filled by the same person, and such assistant secretaries and assistant treaurers and other officer as the executive committee may provide. The duties of all officers shall be prescribed by the executive committee.

Suitable salaries to be fixed by the executive committee, subject to the revision of the general committee, shall be paid to such officers as the executive committee may deem necessary for the conduct of the business of association. All officers shall be elected and all vacancies filled by the executive committee.

(*b*) General committee: The afftirs of the association and the duties of its officers shall be under the general supervision and direction of a general committee, to be made up of one representative to be named by each corporation, association, partnership, or individual who may participate in the association as an active member, and the members so named shall continue to serve until replaced by the corporation, association, partnership, or individual represented, or until the active membership of his principal be terminated.

(*c*) Executive committee: There shall be an executive committee of 12 members, who shall have power to increase their number to such extent and by the selection of the representatives of such industries as they may see fit: *Provided, however,* That if there shall exist an organized group of the members of this association belonging to any given industry, the representative of such industry on the executive committee shall always be subject to the approval of such group, it being the intention that the executive committee shall contain, wherever practicable, the representatives selected by the various industries to represent them in this association.

Said executive committee shall comprise three members representing the petroleum and petroleum refining industries; three members representing the mining and smelting industries; three members representing bankers and security holders; together with such number of representatives of the agricultural, land, cattle, industrial, labor, transportation, and other groups as the executive committee shall from time to time determine.

At the time of the selection of each member of the executive committee as the representative of any particular industry, there shall be selected an alternate who shall have full power to act as a member of the executive committee in the absence of any delegate of the group which he represents. The delegate who is to be absent (or if he shall fail to act, any other delegate representing the same group) shall select the alternate who is to represent the absent delegate at any meeting or meetings.

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Any alternate shall be entitled to be present at any meeting of the executive committee, but shall have no vote at any such meetings unless a delegate of the same group shall be absent.

The executive committee shall have power to fill vacancies in its membership arising from time to time from any cause whatsoever, adopting, however, the principal representation of the various groups as hereinbefore specified; *Provided, however*, That any selection by the executive committee of a delegate or alternate as representing any particular group, shall always be subject to the prior or subsequent action of the members belonging to such group.

The executive committee shall have full power to adopt, and from time to time, modify by-laws governing the operation and management of the association, this power of the executive committee to be always subject to review by the action of the general committee at any regular or special meeting.

The executive committee shall have the direct supervision, control, and direction of all officers of organization, and shall have in the interim between meetings of the general committee, all of the powers and shall perform all of the duties of the general committee.

States meetings of the executive committee shall be held monthly at such times and places as may be determined by that committee. Special meetings of the executive committee may be held at any time upon the call of the chairman or a vice chairman and upon such notice given either by mail, telegraph, telephone, or personally as shall be necessary in order to secure the attendance of a quorum. Five members of the executive committee shall constitute a quorum.

The executive committee shall have power from time to time to appoint and discharge such special or subcommittees as it may see fit, delegating to such committees such power and authority as it may deem proper.

The executive committee members shall hold office from January 1 of each year until January 1 of the succeeding year or until their successor shall be duly elected by the general committee.

6. *Meetings.*—Meetings of the general committee shall be held at the call of the chairman, a vice chairman, or of the executive committee whenever such meetings are deemed necessary, and ten days' notice by mail shall be given thereof.

The annual meeting of the general committee for the purpose of electing an executive committee for the next succeeding calendar year and for the purpose of transacting such other business as may be presented, shall be held on the second Monday of December in each year, at 10.30 a. m., at such place in the city of New York as the executive committee may designate in the notice of such meeting given as aforesaid. If not so held, such election may be held thereafter at any special meeting of the general committee.

At any meeting of the general committee each active member who shall have duly paid his or its dues and shall otherwise be in good standing, shall be entitled to one vote, which may be given either in person or by representative on such general committee, or by proxy to any other member of the general committee. All associate members of the association, though not entitled to a vote, shall, nevertheless, be privileged to attend any meeting of the general committee. A quorum of the general committee shall consist of such active members as may be present or duly represented thereat.

7. *Dues.*—Active members of the association shall pay an annual membership fee of $100 and associate members shall pay an annual membership fee of $1. All further necessary financing to be provided as the executive committee may approve.

Resolved, That $100 per calendar year constitute the maximum dues required by the by-laws of the association from active members, and that there is no moral obligation attached to active membership to contribute additional funds to the association.

8. *Amendments.*—These by-laws may be amended, revoked, or supplemented at any meeting of the executive committee by the vote of a majority thereof, and at any meeting of the general committee by the vote of a majority present at such meeting, provided, however, that any action taken by the executive committee in respect to the by-laws shall always be subject to revision by the action of the general committee.

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Mr. BOYNTON. A little bit later we had the first intimation that charges were being made that we were interventionists. Our board of directors held a meeting and gave considerable thought to the formulation of a definite statement of policy, and the statement was prepared and submitted to the State Department on the 23d of June of this year in the following letter:

Hon. HENRY FLETCHER,
State Department, Washington, D. C.

DEAR SIR: Following the suggestion of Mr. Woolsey that the National Association for the Protection of American Rights in Mexico file with his department a brief outline of its aims and purposes, together with suggestions to the State Department, I beg leave to inclose herewith an outline of such a policy. The association, however, does not feel that it should assume to suggest to the State Department how such a policy should be made effectual.

In the Denfocratic platform adopted by the Democratic convention in 1912, there appears the following clause:

"The constitutional rights of American citizens shall protect them on our borders and go with them throughout the world, and every American citizen residing or having property in any foreign country is entitled to and must be given its full protection of the United States Government both for himself and his property."

If the administration will give effect to the aforesaid clause, the purposes of this organization will be effected, and while this association stands ready to give to the administration all of the information which it has collected and will collect, and the benefit of the experience and knowledge acquired by its members through many years of residence in Mexico and personal acquaintances with Mexicans both in and out of the present administration, the association does not feel that it should presume to suggest to the administration how it should proceed with the performance of its pledges, but considers that its function is to provide a medium through which Americans interested in Mexican affairs can obtain information and through which they can appeal to your department for protection against invasion of their rights. At the same time, the association is ready to cooperate with your department and will welcome an invitation from you to do so.

The letter is signed by Mr. Frederick N. Watriss on behalf of the board of directors, of which he is one. The policy is as follows:

It undertakes to justify its name. Its name implies, what is real and urgent, the peril of American rights in Mexico lawfully acquired under Mexican laws and guaranteed by treaties.

In detail it endeavors to:

(1) Enlist the largest possible membership from those American corporations or individuals who have such rights in Mexico.

(2) By regular circulars or otherwise to keep members posted as to all matters which affect such rights and what is being done about them.

(3) To give through every proper means, to those entitled thereto or interested therein, information regarding all illegal and unfair infringements of such rights—avoiding exaggeration, and being fair to the Government and people of Mexico as well as our own.

(4) To correct false impressions with regard to rights of Americans in Mexico created by misleading or false statements in the press or elsewhere.

(5) To assist our own Government, the administration and Congress, to understand the situation of American interests in Mexico and to seek their aid and support whenever and wherever necessary.

(6) To demand our rights as self-respecting, loyal American citizens—ready to help and asking only what is legal and right—and avoiding the temptations and the reputation of irresponsible complaint.

(7) In so doing and as a necessary incident thereto, to champion the rights and interests of the worthy people of Mexico, and to do everything possible to help them to good government and a better chance in life and civilization without interference, however, in Mexican politics.

(8) It advocates stern insistence by the United States Government upon respect for rights of Americans in Mexico whether such rights be threatened by the provisions of the Mexican constitution or otherwise, believing that only

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by such insistance can respect be had for such rights or for the dignity of this country. This is asking only the performance of the guaranties given by the representative in this country of the de facto government of Mexico to the effect that the lives and property of foreigners would be respected in accordance with the practices established by civilized nations and the treaties in force between Mexico and other countries.

Senator BRANDEGEE. Now, you offered in the document which you read just before this, the one which you wrote to Assistant Secretary Polk, to cooperate with the department.

Mr. BOYNTON. Yes.

Senator BRANDEGEE. Have they offered to cooperate? What offers of cooperation have you received from any official of the State Department?

Mr. BOYNTON. Why, our relations with the officials have been very cordial. Wherever we have sought information of a character that had anything to do with what you would call the official archives of the State Department they have given cooperation or, at least, have aided us with their suggestions as to what would be a proper course to pursue under certain conditions.

Senator BRANDEGEE. Yes.

Mr. BOYNTON. Where we have had information of certain outrages, why we have presented them to the State Department, and in some instances they have corroborated them and given out the information later.

As to a definite reply to that letter, I would have to refer to Mr. Watriss, as the letter was written by Mr. Watriss, and if there was a reply I have never seen it.

Senator BRANDEGEE. I do not mean so much a reply to the letter as to whether in fact the department had accepted your proposition to cooperate in any Mexican policy. Of course, I understand that from time to time——

Mr. BOYNTON. No; there has been no——

Senator BRANDEGEE. Just wait a minute, please. Of course, I understand that from time to time you have been to the department and asked them whether you should pay the bandits, and asked them what you should do and whether this and that would be satisfactory to them, or whether they would advise it; but they have not in any way, have they, requested you to continuously cooperate with them, and they do not advise you in advance what their policies are going to be, do they?

Mr. BOYNTON. No: we have had no intimation of any policy in Mexico.

Senator BRANDEGEE. They give you such information as they can where you request it of them?

Mr. BOYNTON. That is the point.

Senator BRANDEGEE. And if you hear of anything that you think might interest them, or if you contemplate doing anything that you think might affect international relations, you tell them what you are doing or thinking about doing?

Mr. BOYNTON. Yes.

Senator BRANDEGEE. And find out whether it will be agreeable to them?

Mr. BOYNTON. That is it.

Senator BRANDEGEE. That is all.

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The CHAIRMAN. Do you attempt to secure publicity in the press of this country, or of any other country, for matter which you consider of interest along the line of the purposes for which your organization was created?

Mr. BOYNTON. We have given out to the press certain new developments, the knowledge of which came to us before, evidently, to any other newspaper distributive bureau, or matters that had come to our attention that had not been disclosed through the State Department. We have sent out a few translations from Mexican papers showing conditions as evidenced by Mexican papers. We have sent out a translation of article 27 of the new constitution, a translation of the new agrarian laws, and a translation of the new mining laws.

The CHAIRMAN. If you have those pamphlets, identify them, will you, and file them.

Mr. BOYNTON. All of those are here and I will be glad to submit them to the committee.

The CHAIRMAN. Identify them and file them.

(The documents referred were thereupon marked as follows: Pamphlet entitled "How Article 27 of Mexico's New Constitution Affects American Property Holders," "Boynton Exhibit No. 1." Translation of the new Mexican agrarian law, "Boynton Exhibit No. 2." Translation of the new Mexican mining tax law, "Boynton Exhibit No. 3.")

(The above exhibits were thereupon filed with the committee).

Mr. BOYNTON. There is a file, Mr. Chairman, of the entire matter which this association has sent to the press. You will be surprised, I think, to see how meager it is.

(The matter referred to will be found at the conclusion of this day's session.)

Mr. BOYNTON. I would like to add, too, that in the testimony that has been given as to our activities, except for one article, there has not been mentioned by any witness a single piece of publicity that could be attributed to us. What they seem to think is that every time Mexico is mentioned in the press of the United States we are responsible for it. The truth of the matter is that 75 per cent of it in the last 60 days has eminated from Washington and is official information.

The CHAIRMAN. One of the witnesses who has testified here, Mr. de Bekker, referred specially to your activities in giving publicity to statements made by some gentleman, I think his name was Altendorf—was that it?

Mr. BOYNTON. Altendorf.

The CHAIRMAN. Altendorf. What have you done with reference to giving publicity to any statements of Mr. Altendorf, if any?

Mr. BOYNTON. I was in Washington when my New York office called me up and said that they had made an appointment for me at 10 o'clock next morning to consider a matter which they considered of great importance. I went over there and was told that a young man named Daugherty, of San Antonio, Tex., who had been in the military intelligence department of the bureau at Fort Sam Houston, had come into the offices with a man named Dr. Pedro Altendorf, who had been an operative in the military intelligence of the United States Army, and who was seeking our assistance as

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to the best method of making his information public, because he believed it a proper thing to have the public have knowledge of the conditions that he had seen in Mexico. I had an interview with these two men and listened to a recital of his tale. It was so startling and so full of sensational information as to the Mexican-German intrigue and as to the condition in that country, Mexico, that I felt the greatest caution should be used in having any association with the men whatever until their character had been investigated.

I came to Washington and saw an officer of the Department of Justice and checked up with him their information as to the man. As that information was given to me in confidence I would rather not disclose it except in executive session, but it was of such a character as to show me that the man had been in the employ of the Department of Justice and the reports were available.

The CHAIRMAN. That is, his reports to the Department of Justice?

Mr. BOYNTON. No, the reports of others checking up his reports.

I then tried the next day to see the officers of the Military Intelligence of the Army and was unable to do so.

I went back to New York—that was Saturday morning—and over Sunday determined that the only way I could be sure that Altendorf was the man whom the department had in mind, and who was known as Operative A-1, and the man who was talking to me was to have him go to Washington with me and confront the officials of the Military Intelligence.

Dr. Altendorf met me on Monday morning and we had three-quarters of an hour session with—may I have that last set of documents there, because I think I can quote exactly?

Senator BRANDEGEE. What Monday morning? What day of the month?

Mr. BOYNTON. Of August.

The CHAIRMAN. What day?

Mr. BOYNTON. I do not know the date. I would have to go back and look it up. I should say it was about the middle of August. If you can get the Monday that was closest to the middle of August you will have the date.

With Daugherty and Altendorf present I talked with Gen. Churchill, the head of the Military Intelligence. This is a quotation which is in the first Altendorf article:

> Gen. Marlborough Churchill, the head of the Military Intelligence Department, spoke in terms of the highest praise of the zeal and trustworthiness of Dr. Altendorf and of the great value of the services he rendered.

That statement was shown to Gen. Churchill before it was sent out to the press.

Senator BRANDEGEE. He approved of it, did he?

Mr. BOYNTON. I beg pardon?

Senator BRANDEGEE. Did Gen. Churchill approve of that statement?

Mr. BOYNTON. He read it and made no objection to it.

I felt then that the head of the Military Intelligence having given me a statement of the trustworthiness of a man whom they said had shown great zeal in Mexico that I would be justified in presenting the statements he made as to what he found in Mexico to

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the public. That is what was done before those articles were published.

I do not think Dr. Altendorf has said much that has not appeared in public documents or the knowledge of which has not been quite general.

Sneator BRANDEGEE. I think I remember one expression in that article, which I read at the time it was printed several weeks ago, in which he stated that Carranza was the head of the bandits in Mexico. I had not seen that in any public documents before. Had you?

Mr. BOYNTON. No; I have not seen that in any public documents. I do not remember that phrase, either, in the story. I have no doubt it is there, Senator.

Senator BRANDEGEE. Well, I would not swear it is there. I say I seem to remember some such statement.

Mr. BOYNTON. I would like to look it up.

Senator BRANDEGEE. Do not let me divert you from the continuity of your statement.

Mr. BOYNTON. It is all right. I will look it up later.

The CHAIRMAN. One of the former witnesses when questioned as to the ground for his statement that you were engaged in propaganda for the purpose of bringing on armed intervention in Mexico read all or a portion of an article or news item, clipping, or editorial, or something of that kind, from one of the San Francisco papers, purporting to be an interview, I believe, with a man by the name of "McDonald," or some such name.

Mr. BOYNTON. Yes.

Senator BRANDEGEE. Maj. McDonnell.

Mr. BOYNTON. Yes; Maj. McDonnell is one of our two field secretaries. Of course, I should want to see that clipping and ask Maj. McDonell as to whether he was correctly reported, but if your question is for the purpose of bringing out our attitude toward intervention, why I can go on.

The CHAIRMAN. No; I wanted to ask you particularly about this, as to who Mr. McDonnell is and you have answered that he is one of your field secretaries.

Senator BRANDEGEE. Mr. Chairman, was that the statement referred to by Mr. Inman?

The CHAIRMAN. That was the statement to which I had reference.

Senator BRANDEGEE. Was it substantially that McDonnell had told somebody in California that intervention was practically the only remedy?

The CHAIRMAN. Substantially that, as I recall it. If the secretary could find the article itself, we would see whether there was anything further as to the purposes of this particular organization, whether they were responsible.

Your association has offices in New York, have they?

Mr. BOYNTON. The headquarters are in New York.

The CHAIRMAN. 347 Fifth Avenue; is that the address?

Mr. BOYNTON. That is the address.

The CHAIRMAN. You also have a branch office in Washington?

Mr. BOYNTON. Yes, sir.

The CHAIRMAN. And in El Paso, Tex., and in Los Angeles, Calif.?

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Mr. BOYNTON. Well, I would not say—yes, we have a representative in El Paso who makes his headquarters with the El Paso Chamber of Commerce.

The CHAIRMAN. Who is that representative?

Mr. BOYNTON. Mr. Joseph N. Quail.

The CHAIRMAN. Los Angeles, Calif., 1015 Security Building. Who is your representative there?

Mr. BOYNTON. That is McDonnell of whom you have spoken.

The CHAIRMAN. How are your funds raised?

Mr. BOYNTON. By membership dues and by assessment on its member groups.

The CHAIRMAN. I notice a pamphlet sent out by your association in which you give a partial list of the members of the association grouped—agricultural and cattle group, banking and security holders group, commercial trading group, industrial group, petroleum and petroleum refining group. Do these lists comprise the total membership of your association?

Mr. BOYNTON. That was a list of the membership—a partial list of the membership at the time that that call was printed. At this time the total membership is over 2,000, of which about—the proportion is about 20 to 1 of active memberships and associate memberships. I mean by that that there was about 1,916—I think it is—associate members, and about 130 or 140 active members.

Senator BRANDEGEE. This pamphlet is labeled on the cover "A call." When was it issued?

Mr. BOYNTON. When was it issued?

Senator BRANDEGEE. Yes. I do not mean the exact date, but is it a recent publication or an old one?

Mr. BOYNTON. It was, I should say, three months ago. We did not put the date on it because we wanted to use it for a continuing period.

Senator BRANDEGEE. I notice your by-laws provide for a chairman of the association. Who is chairman?

Mr. BOYNTON. There is none. He has never been appointed.

Senator BRANDEGEE. Well, is there a secretary and treasurer?

Mr. BOYNTON. There is a secretary—Mr. Frank J. Silsbee. The treasurer is Mr. E. W. Stetson, vice president of the Guaranty Trust Co.

Senator BRANDEGEE. Are those offices under salary or paid?

Mr. BOYNTON. I am under salary, the secretary is under salary; the treasurer is not.

Senator BRANDEGEE. We have asked the other representatives of these other associations that have appeared before us what their salaries were; that is, the publicity men, so to speak. What is your salary?

Mr. BOYNTON. $20,000 a year.

Senator BRANDEGEE. And what do you call yourself? Have you an official position?

Mr. BOYNTON. Executive director.

Senator BRANDEGEE. That is all.

The CHAIRMAN. We will file this call.

(The pamphlet referred to was thereupon marked "Boynton Exhibit 4," and is filed with the committee.)

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The CHAIRMAN. The clipping there pasted on the left of this sheet of paper is that from which the witness testified a few days ago with reference to the statement of Maj. McDonnell, your field secretary, the witness testifying or reading simply certain portions of the article, and, as we recall, the entire article was not read into the record, but I am not positive as to that. This Maj. McDonnell is the gentleman you mention as your field secretary?

Mr. BOYNTON. Yes.

The CHAIRMAN. Is there anything in that article which is contrary to his instructions or to the purposes of the organization as you understand it, or does it properly set forth the situation as you understand it?

Mr. BOYNTON. Yeu speak of the clipping on the left, do you, Mr. Chairman?

The CHAIRMAN. That is the McDonnell article; yes. You notice that part of it purports to contain an interview with McDonnell and some portion of that was read into the record by the witness as a foundation for his statement that you were engaged in propaganda for armed intervention.

Mr. BOYNTON. I would not have expressed myself just as he did, but there is nothing I find contrary to his conception of what his duties were.

The CHAIRMAN. The entire article will be filed and printed. It appears both of these articles are based on statements made by Mr. McDonnell.

Mr. BOYNTON. I did not read the clipping on the right.

The CHAIRMAN. Well, suppose you read that. I would like to have them both. I do not remember whether that one was mentioned or not. I remember the one to which I directed your attention was specifically mentioned.

Mr. BOYNTON. The portions that are within quotation marks are perfectly proper—I mean proper as coming from him in his capacity.

The CHAIRMAN. They will be filed and printed in the record.

(The newspaper clippings referred to are as follows:)

SOCIETY AIMS TO GUARD UNITED STATES MEXICAN LAND.

MAJ. JOHN G. M'DONNELL HEADS ORGANIZATION WORK OF ASSOCIATION TO PROTECT OIL PROPERTIES—IMMEDIATE ACTION DEMANDED TO SECURE FULL RECOGNITION OF RESPECT FOR AMERICAN RIGHTS.

For the purpose of enlisting prominent citizens of San Francisco in the National Association for the Protection of American Rights in Mexico, Maj. John G. McDonnell (retired), until recently on the staff of Gen. Hunter Liggett, in France, arrived here yesterday.

Having headquarters in New York, the association, comprising as members leading financial interests, oil operatives, cattle raisers, mining men, and business interests of the United States, is gathering data to lay before the United States Government facts on oppression and atrocities Mexico is carrying on against the citizens of this country.

Because of his knowledge of conditions in Mexico, Maj. McDonnell, who was provost marshal of the First Army in France, was selected to head the organization work on the Pacific coast.

OBJECT OF ASSOCIATION.

Maj. McDonnell, at the St. Francis Hotel, said:

"The object of the association is to arouse, organize, and lead public sentiment to support the administration and Congress in taking immediate action to secure full protection for the lives and property of American citizens, wher-

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ever they may be, and to compel that respect for the American flag which has been so conspicuously lacking in Mexico for nearly fourscore years.

"That there is a great need for an organization of this kind is made quite plain by the placid indifference with which we have allowed 300 American citizens to be killed in Mexico within the past few years, to say nothing of the attempted confiscation or destruction of American property worth more than a billion dollars. This certainly would appear to indicate the need for somebody to assume the leadership in arousing the torpid public conscience. Some have felt that the Government has been remiss in protecting its citizens, but a democratic government can not go beyond the wishes of the people who create it. When the public demands it, full justice will be done in the intolerable situation in Mexico.

"The Mexico situation is a matter which vitally interests every true American, not alone those who have invested large sums across the border, nor the survivors of thousands of colonists who have lost everything they possessed and whose families have been murdered"

"I. W. W. AND BOLSHEVISM.

"'Mexico is a haven of refuge to which the I. W. W., which is an alias for anarchists, were sent to be tutored by German propagandists. The product of this joint labor of anarchy and Kultur was Bolshevism, which was first put into erect in Mexico in all its details, even to public ownership of women and corruption of children Bolshevism was transplanted from Mexico to Russia, where it is now bearing its perfect fruit. From its original source in Mexico the evangelists of anarchy hope to introduce it in the United States. They have made no little progress.

"'Among other things the Carranza movement has a press bureau in Washington and another in New York, from which emanate the roseate accounts of Mexican conditions which appear frequently in certain American papers.'

"FREE GOVERNMENT.

"'The theory of free government, as Americans understand it, is impossible in Mexico. Good government is founded on education. Mexico is sunk in an abyss of ignorance. Deceit, corruption, personal and political revenge, are the motives animating so-called elections. Instances are absolutely proven of persons recorded as elected to office having not even been on the ballots. The new constitution is out-and-out Bolshevism in practice. It provides for the confiscation of all property rights, as the civilized world understands them.'"

Major MacDonnell, to substantiate his statement, gave a textual translation of Article XXVII of the new constitution of the Mexican Republic, whose provisions follow:

"(*a*) No foreign corporation or individual can legally acquire or hold any mines, oil wells, land, or other real property in Mexico unless he renounces his citizenship.

"(*b*) No corporation, either domestic or foreign, can own agricultural, grazing, or other rural lands in Mexico, and if title to such property is already vested in a corporation provision is made for its acquisition by the respective State governments in exchange for State bonds.

"(*c*) No corporation owning a mine, oil well, factory, or other industrial enterprise can hold or acquire land in excess of its actual immediate requirements, the area to be determined by the Federal or State executive.

"(*d*) No foreign corporation or individual can, under any condition, hold or acquire ownership to lands or waters within 60 miles of its frontiers or 30 miles from the seacoast.

"(*e*) The ownership to all minerals, solid, liquid, or gaseous, is declared to be vested in the nation, regardless of existing rights based upon the old constitution."

TIME TO ACT IN MEXICO, ASSERTS UNITED STATES ARMY MAN.

CARRANZA MERE FIGUREHEAD AND MURDER AND PILLAGE GO ON UNHINDERED—300 AMERICANS KILLED—MAJ. MACDONNELL HERE TO AROUSE SUPPORT OF ANY STEPS GOVERNMENT MAY TAKE.

"Seeking the support of local leaders, Maj. John G. MacDonnell, United States Army, one of Lieut. Gen. Hunter Liggett's staff in France, arrived in

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San Francisco yesterday to promote plans to solve the Mexican problem. Maj. MacDonnell is field secretary for the National Association for the Protection of American Rights in Mexico. Membership in the association is held by more than 600 banks, industrial, and commercial institutions in the United States. San Francisco will be asked to fall in line, Maj. MacDonnell says, in upholding Congress and the administration in whatever policy is mandatory for the correction of present intolerable conditions.

"The placid indifference with which the killing of more than 300 American citizens in Mexico within the last few years is regarded," Maj. MacDonnell says, "to say nothing of the attempted confiscation and destruction of American property worth more than a billion dollars, would appear to indicate the need for somebody to assume the leadership in arousing the torpid public conscience.

"HERE TO AROUSE PUBLIC.

"Some have felt and said that the Government has been remiss in protecting its citizens, but a democratic government can not go beyond the wishes of the people who create it. When the people demand it full justice will be done in the present intolerable situation in Mexico.

"Our association, for which I am seeking the support of San Francisco, was formed to arouse, organize, and lead public sentiment which would support Congress and the administration in taking, without further delay, whatever steps may be necessary to secure protection for the lives and property of American citizens, wherever they may be, and to compel that respect for the American flag which has been so conspicuously lacking in Mexico for the greater part of 80 years.

"AMERICANS IN CHINA PROTECTED.

"We did not hesitate to take energetic steps for the protection of American citizens in China in the Boxer rebellion of 1900. We recognized the right and duty of a government to protect its citizens temporarily residing in foreign lands when Italy demanded and received without demur on our part reparation for the lynching of some of its citizens in New Orleans. Indeed, the duty of a government to protect its citizens wherever they may be seems to be fully understood everywhere but in America to-day. This is the purpose for which governments are created.

"The Mexican situation concerns not alone those who have invested large sums in Mexico, nor the survivors of thousands of colonists who have lost everything they possessed and whose families have been murdered. It is a matter which vitally interests every man, woman, and child in America.

HAVEN FOR I. W. W.

"Mexico is the haven of refuge to which the I. W. W. were sent to be tutored by German propagandists. The product of this joint labor of anarchy and kultur was Bolshevism, which was first put into effect in Mexico in all its details, even to public ownership of women and corruption of children. The truth is that there is no organized government in Mexico. Carranza is merely the nominal head of a movement and does not even control his own so-called government. The control rests in the hands of military chieftains who acknowledge no allegiance to Carranza except that which is gained through being provided with money. Only one-half of 1 per cent of the people of Mexico are responsible for the crimes that are committed there.

COUNTRY IN CHAOS.

"Chaos is the only word which describes the situation when we attempt to view it as a whole. Under such conditions is it not imperative that America should be aroused to the menace of the southern border? Those who originated the National Association for the Protection of American Rights in Mexico thought so. And no violent protests against its aims and activities have emanated from Washington."

Among the institutions of America sponsoring the association are the National City Bank, Bankers' Trust Co., Chase National Bank, Guaranty Trust Co., and J. P. Morgan & Co., New York; the Associated Supply Co., San Francisco; A. M. Lockett & Co., New Orleans; Beaumont Iron Works, Texas;

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Security Trust & Savings Bank, First National Bank, Merchants' National Bank, Farmers & Mechanics' National Bank, Los Angeles; and other prominent institutions throughout the United States.

The CHAIRMAN. I have here a copy of the New York Times, dated September 16; that is to-day, I presume. I call your attention to an article marked in blue pencil there. Have you seen that article?

Mr. BOYNTON. I think I have seen the original article, because it is a request that I made of the Associated Press that they rectify the mistake they made when they carried the Inman letter as a report from the board of foreign missions of the Presbyterian Church.

I received a letter from Rev. Robert E. Speer in which he refuted it, and it was only just and fair that the Associated Press should rectify the mistake, and I presume that is the result of that request.

The CHAIRMAN. Did you have this publication made in the Times?

Mr. BOYNTON. No, sir; I did not.

The CHAIRMAN. You did not secure its publication?

Mr. BOYNTON. No, sir.

The CHAIRMAN. Read that for the record also, so as to identify the article.

Mr. BOYNTON. "Repudiate Mexican report. Presbyterians deny responsibility for Inman statement. The board of foreign missions of the Presbyterian Church, through Dr. Robert E. Speer, its secretary, repudiated yesterday a report made recently by the Rev. Samuel G. Inman in which he declared that 'intervention in Mexico is coming just as fast as certain interests can possibly force it.'

"The report by Mr. Inman was sent out over the name of J. B. Wootan, director of publicity for the Presbyterian Church, with the announcement that it was made public through the Presbyterian Board of Foreign Missions. Dr. Speer asserted that the report was not made to or issued by the board of missions or the committee on cooperation in Latin America."

The CHAIRMAN. Are you placing on file with the Department of State or any officials of that department all the literature which you are sending out?

Mr. BOYNTON. I do not think all of the literature is going to them; no. Our bulletins to them and certain special articles, but not everything for publicity.

The CHAIRMAN. What are the last two numbers of your bulletin—what dates?

Mr. BOYNTON. The 5th of August and September 1.

The CHAIRMAN. Nos. 3 and 4?

Mr. BOYNTON. Nos. 3 and 4; yes, sir.

The CHAIRMAN. I have those numbers here handed in by some one. Did you file them with the secretary?

Mr. BOYNTON. Yes, sir; when Mr. de Bekker called for them and when you asked me for them, I did not have them at the moment; but I sent for them and filed them with the committee at that time.

The CHAIRMAN. You had them sent to the committee?

Mr. BOYNTON. Yes.

The CHAIRMAN. Then those are the two numbers concerning which Mr. de Bekker testified?

Mr. BOYNTON. Yes, sir.

The CHAIRMAN. They will be marked and filed in the record, not to be printed until further instructions. They will be marked and filed with the secretary.

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(Bulletin No. 3, dated Aug. 5, 1919, was marked "Boynton Exhibit No. 5." Bulletin No. 4, dated Sept. 1, 1919, was marked "Boynton Exhibit No. 6," and both filed with the committee.)

The CHAIRMAN. If there is any further statement you desire to make, Mr. Boynton, you will be heard; if not, I have no further questions to ask you.

Mr. BOYNTON. I would like, in view of the fact that you have brought up this question of the Inman letter going out as a report from the board of foreign missions of the Presbyterian Church—I would just like to read the letter from Dr. Speer in which he refutes it and my reply to it.

The CHAIRMAN. All right; you may do so.

Mr. BOYNTON. Dr. Speer's letter is dated New York, September 6, 1919, addressed to Mr. C. H. Boynton, National Association for the Protection of American Rights in Mexico, 347 Fifth Avenue, New York City. The letter is as follows:

MY DEAR SIR: On returning to New York this week I find your letter of August 9 with similar letters from Mr. Chester O. Swain, vice president of the Association of American Producers of Oil in Mexico, and from Miss Agnes C. Laut, who writes that at the request of your association she had made an investigation of conditions in Mexico. I had not seen a copy of the statement to which your letter referred until I secured one yesterday from Mr. Inman, who gave me also a copy of a letter of his with regard to this statement which he had written to Mr. Ira Jewell Williams, and which I inclose herewith. Mr. Inman's letter explains the character of his statement, which was not a report made to or issued by the Presbyterian Board of Foreign Missions or the committee on cooperation in Latin America, which is a committee made up of representatives of the American and Canadian mission boards, which are carrying on work in Latin America. Neither the Presbyterian board nor this committee has taken any action or made any statement with regard to political conditions in Mexico. The mission boards, are, of course, interested in the welfare of Mexico, and in the establishment and maintenance of just relations between Mexico and other nations, and are anxious to know all the facts regarding the situation which bear in any way upon their responsibility. The Presbyterian board has carried on work in Mexico since 1872 and has now a number of missionaries residing in different parts of the country.

There will be a meeting of the executive committee of the committee on cooperation in Latin America at the close of this month, and very probably questions will be asked then with regard to Mr. Inman's statement and the counterstatements of the Association of American Producers of Oil in Mexico and of the National Association for the Protection of American Rights in Mexico. I should be very glad, indeed, to have any printed information or published statements of the two associations, and should be glad also to know whether in reply to any inquiries that might be made it would be correct to say—

1. That the Association of American Producers of Oil in Mexico and the National Association for the Protection of American Rights in Mexico are not carrying on any propaganda favorable to intervention by the United States in Mexico; and,

2. That these associations are opposed to military intervention by the United States and believe that the influence and help of the United States, so greatly needed in Mexico, should be extended in pacific ways.

Very truly, yours,

(Signed) ROBERT E. SPEER.

My reply is dated September 15 and is as follows:

Rev. ROBERT E. SPEER,
Secretary Board of Foreign Missions,
Presbyterian Church of the U. S. A.,
156 Fifth Avenue, New York, N. Y.

DEAR SIR: My presence in Washington is responsible for this late acknowledgment of and reply to your kind letter of September 6, giving me the information which I requested.

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Since writing you I have learned that the Inman letter went to the press with the following notation: "Released for publication Thursday, August 7, by J. B. Wootan, director of publicity for the Presbyterian Church in the United States of America, 156 Fifth Avenue, New York City." The first two paragraphs of this announcement released by Mr. Wootan, director of publicity for the Presbyterian Church, stated explicitly that the Inman statement was a report made public by the board of foreign missions of the Presbyterian Church. I quote from the official typewritten announcement sent to the press and signed as noted above—

In copying this there has been a line left out, apparently.

"NEW YORK, *August* 7.

"The board of foreign missions of the Presbyterian Church headquarters, 156 Fifth Avenue, a report on the Mexican situation in which it is charged that the oil interests * * *

"The report is transmitted through the Presbyterian Board of Foreign Missions by Samuel G. Inman, executive secretary. * * *

"Mr. Inman's statement comes close upon an address made by Dr. Robert E. Speer, one of the secretaries of the Presbyterian board, before a conference of the Presbyterian new era movement, in which he said that certain influences were attempting to force intervention, and that if Carranza were left alone the Mexican situation would be adjusted satisfactorily."

If the above announcement correctly quotes you, I ask the courtesy of a definite reply as to whom you mean by "certain influences" which are attempting to force intervention and what evdence or basis you have for such a statement. If it is influenced by a supposed announcement that the President had taken notice of propaganda which had become "brazen" and intended to use legal means if necessary to stop it, I trust that you will take into consideration the fact that this refers to a statement given out from the White House at the time of the Pershing expedition and had to do entirely with border troubles, as the statement signed by the President himself clearly points out it has nothing whatever to do with the present, and I am certain that this association has had no intimation from any official Government source that any action it has taken was prejudicial to our national welfare or objectionable to the administration.

In your letter you write that you would be glad to know "whether, in reply to any inquires that might be made, it would be correct to say:

"1. That the Association of American Producers of Oil in Mexico and the National Association for the Protection of American Rights in Mexico are not carrying on any propaganda favorable to intervention by the United States in Mexico; and,

"2. That these associations are opposed to military intervention by the United States and believe that the influence and help of the United States, so greatly needed in Mexico, should be extended in pacific ways."

First, let me assert that I have no knowledge of the officers' membership or activities of the Association of American Producers of Oil in Mexico. It has no interrelationship with the Association for the Protection of American Rights in Mexico, though some individuals are members of both organizations. I am, therefore, in no position whatever to speak for that association, but let me say I have no knowledge nor evidence of any propaganda on their part for intervention.

As to the attitude of the National Association for the Protection of American Rights in Mexico, I beg to say that this association has steadfastly avoided any action which urged or advocated intervention in Mexico and it has studiously declined to offer any suggestion as to a policy by which the rights of Americans in Mexico should be protected. Its sole aim and purpose has been to present substantiated facts as to conditions in that country as it finds them to the United States Government and its public. It does not believe that armed intervention is either necessary or advisable for any cause that now exists. Its object is urgently to insist that the persons and lives of American women and men in Mexico, whether residents or transients, shall be safeguarded and that legally and honestly acquired property and other rights shall be protected.

I inclose herewith a copy of the policy of this association which was filed with the State Department on June 23, 1919.

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There has been no concealment about the work of this organization and I am ready to exhibit a full file of our publicity work, which you will find surprisingly small.

Thanking you, I am,

Yours, very truly,

C. H. BOYNTON.

On the subject of intervention I might add, and relate, another incident to show how quickly we caught up with a charge of that sort and what occurred at that time.

On the 26th of July I received a copy of a paper called La Republica of El Paso, dated July 12, in which certain charges were made against our representative, Mr. Quail. I sent Mr. Quail this telegram:

La Republica of El Paso in its issue of July 12 states that before the chamber of commerce the previous night you "endeavored to demonstrate the necessity of immediate intervention"; also that "Quail wished to make clear his program as that of all sensible interventionalists"; that you attacked President Wilson by name and that you assured the audience of "obtaining from the White House the immediate and energetic action which they have requested." Wire me at 322 Kellogg Building, Washington, your statement of these quotations. It is incomprehensible and I am not ready to believe that you made any such statements, especially after your specific instructions that the policy of the association distinctly precludes personal attacks on anyone or taking a position in partisan politics. Also you know full well that the association has never presumed to indicate the means by which the United States shall make life and property secure, that being a function of the Government.

C. H. BOYNTON.

On the 28th, Mr. Quail having been absent from El Paso, I received this reply from Houston, where he evidently received my dispatch:

La Republica article absolutely false and deliberately written for purpose for which it is being used. Have had all El Paso Mexican papers mailed to you daily so you could see their purpose. La Republica had no one at meeting, but took story in Times, which see as basis for its fake. I clearly and distinctly stated that association simply demanded protection, leaving the means of obtaining it to administration and Congress. I'm a Wilsonite. It is part of Mexican program and propaganda to misrepresent in this way.

JOSEPH N. QUAIL.

I replied on the same date to Joseph N. Quail, at Houston, Tex.:

Was confident your reply would be just as that received this morning, but wished to have full statement without influence from me. Be assured we have every confidence in your judgment, and only brought this to your attention because it was being used as evidence of our being interventionalists and anti-Wilson, both of which you know to be untrue.

C. H. BOYNTON.

Might I add, Mr. Chairman, that the first evidence I had that this association was charged with being a movement to bring on a war with Mexico came from those who were affiliated with the Mexican Government?

The CHAIRMAN. One moment, before you pass from this question of the El Paso paper La Republica. Do you know what action, if any, has been taken by this Government through any of its departments with reference to the newspaper La Republica or its editors?

Mr. BOYNTON. Why, I had in there, but I did not think it was germane to what I was saying, this dispatch:

La Republica compelled to suspend recently for refusing to supply Government with translations of articles now being published; under bond, Gunter Hotel. Called to San Antonio to arrange meeting; will return here late in week.

JOSEPH N. QUAIL.

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I also might add that I called the attention of the Department of Justice to other articles in that paper and asked them to scrutinize their publication from a standpoint of——

The CHAIRMAN. I have no knowledge of your telegrams, of course, but I keep in fairly close touch with newspapers on the border, and do know through the press that the editors, at least one of them, and I think two, of the La Republica are under bond for failing to comply with the United States law with reference to filing articles printed in a foreign language in papers here.

Mr. BOYNTON. I do not have to say, Mr. Chairman, that this cry of intervention has been a political issue in Mexico for a good many years. It is termed there "La Fantasma," and every time a situation arises in its foreign relations it generally throws out this plea that someone is trying to bring about intervention, and in this case I think it is because Mexico realizes that the day of justice is at hand, that they have again thrown out this claim. It is evident that the charge is coming directly from their own propagandists, Mr. Weeks and his distributive machine.

I think there is one other letter that I have that may have a bearing on that subject, because I feel that those charges are so dastardly that nothing should be left undone that can properly be done to refute them.

On August 21, as the result of reading an article in the Christian Science Monitor, I wrote this letter:

AUGUST 21, 1919.

THE CHRISTIAN SCIENCE MONITOR,
Boston, Mass.

GENTLEMEN: I have just finished reading the article in the Monitor of August 19 from San Francisco headed "Intervention by United States in Mexico Opposed," and being a quotation from an interview with John R. Phillips

I am wrting you not for publication, but from a standpoint of curiosity which perhaps you would be good enough to satisfy. I am wondering why it is that when anything is well organized and substantial and its reputation is dependent upon the truth and accuracy of its statements, that charges of "falsification" and "distortion" are always willingly and readily accepted by the press without even giving the one charged an opportunity to prove his case before publication occurs.

This organization filed an official statement of its policy with the State Department early in June to show it was not advocating intervention in Mexico and did not presume to indicate to the Government how the protection of the lives and property of its citizens should be secured.

You will render me the greatest possible service if you will forward me information of a single verbal or written utterance by any authorized employee of this association which urged intervention. The truth is that the cry is being dragged across the trail by Mexicans in order to arouse opposition to justice. You printed without question the charge "The ostensible purpose behind the movement is to protect American lives in Mexico—the real motive is to open a way to gain control of the vest economic resources of that country." I deny that statement flatly and unequivocally and think that we have a right to call upon you for some evidence, no matter how flimsy, upon which you can base such a slanderous charge.

I am wondering after all whether Mr. Phillips does really refer to this association, because he continues, "It is now operating openly through many columns of space daily in the American press." This organization has been in existence just nine months and during that time it has issued altogether 17 items of news, and since the 15th day of July not one word has gone forth from this association to the press. Of these 17 items, 5 were spontaneous, original news items, the knowledge of which we happened to obtain first and gave them publicly—they were all corroborated by official announcements later; 3 were items issued to New York papers only, being a response to publication in one or

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more of them containing misstatements; 3 of them were translations from Mexican papers; and the remainder greater details of some news event that had not been fully covered.

This excludes the copies of our semimonthly bulletin of which only three copies have been published. As to the industrial conditions in Mexico, the daily news dispatches give the best index to conditions in that country.

I ask in a sense of fairness and justice is it proper for the Christian Science Monitor, carrying the weight it does in public minds for accuracy and rightousness, to publish such unfounded statements without any effort at verification.

Yours, vedy truly,

——— ———.

The CHAIRMAN. Did you receive an answer?

Mr. BOYNTON. My letter was written on the 21st of August, and the answer is dated September 5:

DEAR SIR: We have yours of August 21, criticizing the interview which we printed from John R. Phillips on "Intervention by United States in Mexico opposed." We are glad to have your letter giving information as to what your association has been doing with respect to the Mexican problem, and note that there is considerable difference between your statements as to your association and the statements by Mr. Phillips.

Relative to the propaganda to which he refers, we notice he does not mention the American Rights in Mexico Association, and personally, do not know whether or not he intended to have his statement applied to that association. I can assure you, however, that our purpose in printing the interview was not to make charges or to further any particular propaganda, but merely to aid in getting before our readers a better understanding of the facts with respect to the Mexican situation.

In view of your letter, we shall undertake to get some explanatory statements from Mr. Phillips with the hope of correcting any misunderstanding that may be possible in connection with the interview.

I replied to that, but I do not think it is material, Mr. Chairman.

I would just like to refer to one other pamphlet, and then I have finished, except for any questions that might be desired to ask.

There is no denying the fact that there has been a most intense Mexican propaganda in this country for several years. When the condition of public mind became so inflamed at the time of the Villa raid on Columbus, followed by the Pershing expedition, the President issued a statement that the papers should not make display of matter which would create ill feeling and bring on a more irritable condition between the two countries.

In May, 1918, there was a note—a confidential note—to editors of the entire American press, calling attention to the fact that there had been some violations of that request; that it was renewed and that news of Mexico of a character that might be inflammatory should not be printed.

The result has been that until the armistice was signed the American press has been under restriction as to the truth of the happenings in Mexico, but during all that period there has been a most intense Mexican propaganda.

That now American citizens interested in the affairs of that nation should come forward and oppose and set straight the misrepresentations which have been going on for some years, I think it is not only a matter of justice, but a matter of duty, and so far the character of that matter has been honest and straightforward, and, I believe, reliable and dependable. I would like to have anybody bring forth anything that is not of that character.

The Mexican papers—in Monterey there was printed on the 21st of February, in a paper called "El Pervenir," after pointing out

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the dangers Mexico was confronted with in her foreign relations, the following:

Our chancellery should know all the details of this serious question, should weigh all opinions, and direct an active press campaign in the United States, this latter being of the most importance. Not 1,000 or 100,000 but 1,000,000 pesos, if necessary, should be expended to buy American newspapers (there are some which will not refuse the proposition) to defend us, and to pay writers of some prestige for interpreting the arguments furnished them by our own chancellory. It is necessary to predispose in our favor a large part of the public opinion in the United States, taking advantage for this purpose of the political dissensions existing between Democrats and Republicans.

It is also very important for us to do something practical in Central and South America. To this end very explicit instructions should be given at once to our representatives in those countries where public opinion is well disposed toward us. If we succeed in awaking popular sympathy in favor of our cause we will not lack moral strength—besides what we may have in our own hearts—for facing the days of trial which are approaching.

And the El Heraldo, which is a prominent paper in the City of Mexico, printed this:

EXCERPT FROM AN EDITORIAL IN EL HERALDO DE MEXICO, PRINTED IN MEXICO CITY, WEDNESDAY, AUGUST 6, UNDER THE CAPTION "WRITE AT ONCE TO YOUR HOME NEWSPAPER."

What is the best way in which an American in Mexico, feeling all these things, can best help avert intervention? A most immediate and effective way would be to secure all the publicity possible as an offset to the wild and whirling words of the other side. Let every fair-minded American here write to his Congressman and home town newspaper in the States, setting forth the facts as he knows them, and pouring all his faith and feeling into the message. Write every day; write to newspapers other than your own; write to any other men of influence you know. Write President Wilson. Write the magazines. Your words will have tenfold the effect of others from agitators living in the States, for you are on the ground and will be presumed to really know the facts.

Write to-day. Begin now on your sacred duty. The world is sick of war and every word of yours may save a young life from the terrible hectacomb under which the earth already groans.

The CHAIRMAN. Is that a translation?

Mr. BOYNTON. That is a translation and there have been other statements of that sort in the Mexican papers. I have not them with me.

I do not know anything further, Mr. Chairman.

The CHAIRMAN. I believe there are no further questions at this time.

Mr. BOYNTON. There is no question as to Mexican propaganda going on. You can see it in the advertisements in the New York Sun, you can see it in the Mexican Review, you can see it in the news issuing from the Mexican Embassy and consulates, you can see it from the Mexican official bureau in New York, you can see it in testimony which you have had before this committee in the last few days.

If it is improper for an American citizen to meet an attack of that sort, well, then, I do not know what the rights of an American citizen are.

TESTIMONY OF MR. GEORGE L. EDMUNDS.

(The witness was duly sworn by the chairman.)

The CHAIRMAN. You may give your name in full.

Mr. EDMUNDS. George L. Edmunds.

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The CHAIRMAN. Where do you live?

Mr. EDMUNDS. Washington.

The CHAIRMAN. What is your business?

Mr. EDMUNDS. I am one of the correspondents of the New York Sun.

The CHAIRMAN. Do you know La Revista Mexicana?

Mr. EDMUNDS. I founded it.

The CHAIRMAN. Where was it founded?

Mr. EDMUNDS. In Washington.

The CHAIRMAN. What was the purpose of founding that paper,

Mr. EDMUNDS. It was a propaganda magazine published by George F. Weeks and myself, and paid for by the department of foreign relations in Mexico, through the Mexican Embassy in Washington.

The CHAIRMAN. George F. Weeks is now the editor of it, is he?

Mr. EDMUNDS. I presume he is. I am not familiar with the Mexican edition. The publication of the American edition has stopped. In point of fact, there never were two simultaneous editions. There was the Washington edition, and when it ended there was a hiatus, and subsequent to that this publication, of which I saw the first copy about a fortnight ago, was begun in Mexico City. It possibly began earlier than that, but I first saw it about two weeks ago.

The CHAIRMAN. Were you in the pay of the Mexican Embassy at that time?

Mr. EDMUNDS. Yes, sir.

The CHAIRMAN. Are you now in the pay of that embassy?

Mr. EDMUNDS. No, sir.

The CHAIRMAN. Do you know where Mr. Weeks is now?

Mr. EDMUNDS. I presume he is in Mexico City, from the fact that his name appears as one of the publishers of La Revista Mexicana.

The CHAIRMAN. Do you know whether Mr. Weeks was at any time in the pay of the Carranza Government or the Mexican Government?

Mr. EDMUNDS. I know he was in the pay of the Mexican Government from the time of my first employment by the Mexican Government, which was about the middle of June, 1915, up until the time The Mexican Review ceased publication in Washington.

The CHAIRMAN. When was that?

Mr. EDMUNDS. That was during 1918. I do not know the exact date.

The CHAIRMAN. While you were in the employ of the Mexican Government or the Carranza Government, through his representatives or otherwise, from who did you obtain information with reference to Mexican affairs?

Mr. EDMUNDS. Well, during the period of hostility between the Villista government and the Carranza Government information was cabled from Vera Cruz and other coast points to Galveston, and relayed to Washington. We received the telegrams in Spanish, and they were translated into English by Louis d'Antin of the embassy, an American citizen in the employ of the Mexican Embassy in Washington, or constitutional agency, it was called, up to the time of the recognition, and after that the embassy.

The CHAIRMAN. Did you know Louis d'Antin personally?

Mr. EDMUNDS. Very well.

The CHAIRMAN. Do you know where he is, or what has become of him?

Mr. EDMUNDS. He died in San Luis Potosi.

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The CHAIRMAN. Referring to this La Revista Mexicana, or Mexican Review, purporting to be issued under the direction of George F. Weeks, editor, and Edmundo Melero, manager, do you know whether it is a subscription magazine in the United States?

Mr. EDMUNDS. I presume it can be subscribed for. The Mexican Review in Washington, when it started in 1916, the fall of 1916, I think the first issue was October, 1916, was a monthly magazine to which the subscription list was open, but we started out with a mailing list of between thirteen and fifteen thousand names in the United States. These were largely public libraries, college libraries, newspaper exchange lists, persons friendly to Mexico, known to be friendly to Mexico, and some selected lists of Weeks's relatives and friends. After the first publication was made and the magazine appeared on the library tables of these schools and colleges and public libraries, a small fraction of subscriptions began to come into the office. It was a dollar a year, and I presume in the three or four months I remained with the publication we took in two or three hundred dollars. The paid subscription list never had exceeded 2 per cent, or 2½ per cent at most, of the total issue.

The CHAIRMAN. Did you continue to send out the Review whether it was paid for or not?

Mr. EDMUNDS. Oh, we sent to that list absolutely whether it was paid for or not.

The CAIRMAN. Who paid the expense of sending it out?

Mr. EDMUNDS. When we received the bill from the printer, Mr. Weeks and I went to Eliseo Arredondo, the Mexican ambassador, and told him what the expense was, and the total income received, and he paid the difference, which was usually about 98½ or 99 per cent.

The CHAIRMAN. Have you seen or heard from Mr. Weeks recently?

Mr. EDMUNDS. No, sir; I have not heard from him for a year, not since he left Washington.

The CHAIRMAN. You have yourself read the Mexican Review, or La Revista Mexicana, which is now being published under Mr. Weeks's direction, have you?

Mr. EDMUNDS. I have glanced through it.

The CHAIRMAN. You have seen copies of it recently?

Mr. EDMUNDS. Yes, sir. Quite a number of them come to the Press Club, addressed to individuals, and, of course, there is the club library copy.

The CHAIRMAN. Why did you leave the service of the Mexican embassy?

Mr. EDMUNDS. I interviewed Luis Cabrera and published the interview, and Mr. Cabrera decided we had best sever our relations.

The CHAIRMAN. From what you know of the Review, which you assisted in forming, if the Mr. Weeks who now edits it is the same Mr. Weeks who was associated with you here in forming it, would you say that Mr. Weeks is still representing the Carranza government?

Mr. EDMUNDS. I don't think the slightest change has taken place in his relations with the foreign office. There is no evidence in the Review that any change of relationship has taken place.

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The CHAIRMAN. Mr. Weeks did not sever his connection with the Mexican foreign office at the time you did?

Mr. EDMUNDS. No.

The CHAIRMAN. He still retained his connection?

Mr. EDMUNDS. He remained with them continuously up to the time the Mexican Review ceased publication, and whether there has been any interruption in his connection up to the present time or not I do not know. Of course, his employment by them antedated the publication of the Mexican Review by many months.

The CHAIRMAN. Of course, you would not personally know as to the accuracy of news items which he might transmit, or of information which he might send from Mexico to Mr. de Bekker or anyone in the United States?

Mr. EDMUNDS. No, sir; unless he followed the policy which he adopted or attempted to adopt on the Mexican Review as we published it. The Mexican Review was made up through Mr. Weeks receiving large numbers of Mexican newspapers, friendly to the Carranza cause for the most part. He read Spanish falteringly, and he glanced through these papers and selected those articles which he thought indicated the policy of reconstruction that was effective down there, or the policy of redrafting or liberalizing the laws that was effective, and he would go to an expert translator and have them turned into English. They were Mexican news items. The paper was made up largely of items of that kind.

The CHAIRMAN. I think of nothing further I care to ask you at this time, Mr. Edmunds.

TESTIMONY OF FREDERICK N. WATRISS.

(The witness was duly sworn by the chairman.)

The CHAIRMAN. State your full name.

Mr. WATRISS. Frederick N. Watriss.

The CHAIRMAN. Your residence?

Mr. WATRISS. New York.

The CHAIRMAN. Your business?

Mr. WATRISS. Lawyer.

The CHAIRMAN. Have you been connected with Mexican matters, Mexican affairs, Mexican companies in any way, professionally or otherwise, Mr. Watriss?

Mr. WATRISS. Yes, sir.

The CHAIRMAN. In what capacity, and with what companies or what individuals?

Mr. WATRISS. I am the president of the Yaqui Delta Land & Water Co., which is the owner of the capital stock of the Richardson Construction Co., a Mexican corporation, which in turn owns land in Sonora, and has a contract with the Mexican Government under the terms of which it is entitled to take water from the Yaqui River in return for certain obligations which it must perform with the Mexican Government. As the president of that corporation I am the representative of the so-called land group in the National Association for the Protection of American Rights in Mexico.

I am also the legal representative of two corporations having oil lands in Mexico, and the representative of those two corporations

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in the American Petroleum Association. One of them is the Continental Mexican Co., with its subsidiaries, which is a California corporation; and the other is the International Petroleum Co., a Maine corporation. In that connection I have represented their interests in the petroleum association for nearly two years, and during the last year I have been the member of the executive committee of that association, through which the association has conducted its negotiations with the State Department. My business has been to visit the State Department probably once a week during the early part of this year, not so often recently, but to communicate in writing and by telegrams any grievances or requests that any member of the petroleum association might have to make.

The CHAIRMAN. First, I will call your attention to the fact that Mr. Boynton, director of the American Rights Association, or manager and director, just stated that he could not speak for the Association of Oil Producers in Mexico with reference to their publicity campaign, if they were running any, independently, nor as to their efforts or ideas with reference to the policies of this country in connection with Mexico. Can you speak with reference to the policy of the oil association, those things they are doing in the way of publicity, what they are doing with the State Department?

Mr. WATRISS. Yes, sir. I have not been very close to the publicity end of the petroleum association, but I can read you a letter I wrote to Mr. Polk on the subject last year, and the substance of his reply thereto. For a more detailed statement with respect to the publicity of that association, I should like you to ask Mr. Walker or Mr. Doheny. I think they are more familiar with it.

The CHAIRMAN. Have you that letter to Mr. Polk with you?

Mr. WATRISS. Yes, sir. In general, with respect to the policy of the association, it is not very different from the policy of the larger association which Mr. Boynton has already elucidated to you. Our policy has been to insist that we have titles to properties in Mexico which are entitled to protection from our Government, and we have never presumed to say to our Government or to suggest to our Government how they go about it, but we have never failed to insist that we are entitled to protection.

The first part of this letter is not germane. It is a letter from me to Mr. Polk, dated December 31, 1918, and the part I wish to read begins as follows:

Some time ago you wrote me that "The oil people are stirring things up and are going in for some publicity."

I will interrupt to say there was a statement made by, I forget whom, but the statement was that Mr. Polk had said that to Mr. Garfield, and the information was conveyed to me. That is my reason for writing this letter.

The CHAIRMAN. Mr. Garfield was director of the Fuel Administration?

Mr. WATRISS. His brother, who at that time was employed as counsel by the petroleum association. [Continuing reading:]

Some time ago you wrote me that "The oil people are stirring things up and are going in for some publicity," to which I replied that the Petroleum Association had had a publicity committee for a good many months whose function it was to protect the association against misrepresentation of the rights of

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its members and of the attitude and purpose of the association, and that up to date it had done nothing inconsistent with or in excess of this function. Since then, I understand that you have asked that the association be notified that the State Department deplored the publicity with respect to the Mexican controversies for which you apparently held the association responsible, and further referred to the fact that you had written me about it. I did not mention your letter to me to the association, as I supposed my answer to it was sufficient to convince you that the association was not responsible for any publicity to which the State Department should take exception.

I am told that you regard it as the purpose of the association to use the press for the purpose of forcing some action upon your department or to "goad" you. I have no doubt that the petroleum companies would stand better before the bar of public opinion if the facts regarding the nature of their grievances and the nature of the rights upon which they stand could be properly presented to the public; nor have I any doubt that if they wanted the sympathy of the public, the story of the murders of American citizens in the oil fields, and robbery and destruction of American property, not by bandits or outlaws, would create a powerful sentiment in favor of some action by this Government, but since the above facts have not become public it is clear that you can not blame the Petroleum Association for employing publicity to further its cause. Why these facts have not been published you probably know better than I do.

I wish I could convince you that it has been our aim from the outset to work with your department and not against it, and that we have given no instructions to our representatives in Mexico that had not your previous approval whenever it has been possible to get an expression of opinion from you or your department, and that we have in every case refrained from taking any step to which you objected. The question of publicity has been often discussed, and the association has invariably refused to give out any information which might lead to criticism of the administration in its treatment of the Mexican question, or which might indicate to you a desire on our part to use the press to force the United States Government to intervene in Mexico.

We have been asked repeatedly to release facts which would make good newspaper reading, but have refrained lest we embarrass your department thereby. As I wrote you, there is a widespread misunderstanding in this country as to the nature of the rights of the American Oil and other companies in Mexico as well as of the attitude of the Mexicans toward American property, not to mention their treatment of Americans. Even amongst people who should be well informed the impression prevails that the American Oil Co. are a band of pirates who have acquired concessions in Mexico by methods more or less questionable, and that there would be no trouble if the Americans would recognize their obligations to Mexico, and that in general the oil companies are trying to force the United States into war with Mexico to relieve them from the imposition of taxes which they find burdensome.

I tried to make it clear to you that the only publicity for which the association has been responsible was necessary to controvert false statements made by the Mexican press and quoted here, with particular reference to conferences held in Mexico between our representatives and representatives of the Mexican Government, and with respect to proposed legislation by the Mexican Government and with respect to proposed legislation by the Mexican Congress. Even before authorizing this little publicity we tried to get an interview with you to arrange for such action on your part as would obviate the necessity of acting in our own defense in the only way open to us, but you were too busy.

The publicity which you deplore and for which you hold our committee responsible (I am taking all this trouble because I am a member of the committee) is in no sense a criticism of your department, and there is nothing in it from which you or the public can infer an attempt to force you to do anything you don't want to do. This publicity is not open to criticism, unless it be that you want us to be misunderstood or misrepresented, which is incredible to me and which could not help you in the solution of your embarrassing problem. I don't understand what it is you object to unless there is a situation (unknown to me) so bad that if it became public you would be forced to take some step you don't want to take, in which case you might take us into your confidence and let us work together.

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However, it is apparent to me that there is a growing demand for information on the whole subject, and that in spite of our efforts not to embarrass you and your own desire to avoid publicity, the whole business will soon be aired.

Public opinion forced us to take a hand in Cuba, where much less cause for interference existed, and we went into the European war in defense of rights which were less well defined than those which are being violated by Mexico, and it seems to me that the surest way to avoid trouble in Mexico is to turn on the light, in order that when our people know the facts there will be a sentiment here which Mexico will not dare to ignore.

I have no doubt that you will agree with me that the Mexicans will go as far as they think they can, but that they will recognize their international obligations when they find that the people of this country insist upon it.

Please be assured that we are not so foolish as to think we can profit by antagonizing you, and that we will continue to cooperate with you, except to the extent that it may become necessary to defend ourselves.

Mr. Polk replied to that in general, to the effect that he hoped that our committee would not refrain from publicity or from attacks, where these attacks would be helpful, by reason of any fear that they might embarrass the department or that the department would hamper them in such publicity as they found necessary for self-protection.

The CHAIRMAN. You spoke of the Richardson Construction Co. and its holding company. What is the capitalization of the Richardson Construction Co.?

Mr. WATRISS. Well, it is nominal. It is $100,000, I think.

The CHAIRMAN. And of the holding company?

Mr. WATRISS. Before I came into the situation there had been one or two reorganizations, but I think I have it here. Twelve million dollars authorized common stock, of which $9,000,000 is outstanding; $12,000,000 of bonds authorized, of which $6,000,000 are outstanding. Those bonds are in two series. All of one series is outstanding.

The CHAIRMAN. Of what does the property of that company consist, and where is it situated?

Mr. WATRESS. It is in the Yaqui Valley, in the State of Sonora. It consists, roughly, of 750,000 acres of land, of which about 500,000 acres is irrigable, and the balance is grass lands.

The CHAIRMAN. Do you know the source of the title to that land?

Mr. WATRISS. Yes, sir.

The CHAIRMAN. And from whom the Richardson Co. secured it?

Mr. WATRISS. It was purchased from Mexican private owners. If you mean is any of it part of a concession; no.

The CHAIRMAN. It was not obtained by them directly, through a concession or otherwise, from the Mexican Government?

Mr. WATRISS Not directly or indirectly. It was acquired by purchase.

The CHAIRMAN. From private owners?

Mr. WATRISS. Yes, sir. Well, some of it might have been bought directly from the Mexican Government years ago, but as to that I do not say I know; but if so, it is a very small amount. It was all acquired by purchase, in any event.

The CHAIRMAN. Has the company an irrigation system there? You said about 500,000 acres of the land were irrigable.

Mr. WATRISS. Yes. They have had a complete plant for the construction of an irrigation system of very large dimensions. They

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have been interrupted in the completion of that plan by conditions in the valley, but what they have been able to accomplish roughly is this. I take this from a communication to the Department of State:

It has to date expended upward of $1,250,000 in making extensive surveys and studies for the storage, diversion, and distribution of waters of the Yaqui River, and in the actual construction of its irrigation system, which to date comprises a temporary diversion dam and intake gates, 36 miles of main canal, 320 miles of laterals, 818 canal structures, 150 bridges, and 400 miles of wagon roads. It has converted from grazing to cultivable land 44,300 acres, and has subdivided and sold over 32,000 acres of its own land to about 300 actual settlers, an average of about 100 acres each.

Since entering into the contract in question——

That is the contract with the Mexican Government for water.

The CHAIRMAN. Yes. I am going to ask you about that in a moment.

Mr. WATRISS (continuing reading):

Since entering into the contract in question the company has continued, at a loss, to operate its irrigation system to the limit of capacity, and has during this period furnished water for the irrigation of 181,237 acres of land; an average of 24,165 acres per year.

It has, at an expenditure of over $80,000, installed and maintains an agricultural experiment station, the results of which have been published in bulletins, printed in English and Spanish, and gratuitously distributed.

In addition to its investment of subscribed and borrowed capital, it has reinvested all the money received from the sale of its lands and from water delivered through its canals. It has paid no dividends on its stock and no interest on its investment.

The CHAIRMAN. The settlers to whom you refer, who are they, generally speaking?

Mr. WATRISS. Americans and Mexicans, mostly. I think there are a few of other nationalities.

The CHAIRMAN. The total number, approximately?

Mr. WATRISS. Well, at the time they discontinued subdividing and selling the land they had sold to about three hundred settlers. Those were settlers on the company's land, but there are other settlers in the valley dependent on these same waters.

The CHAIRMAN. Some of the settlers who are not upon the company's land, but are dependent upon the waters, are they Americans?

Mr. WATRISS. Yes, sir; some Americans and some Mexicans, and some other nationalities, too, but for the most part Americans and Mexicans.

The CHAIRMAN. Now, how did the company obtain its right to water for irrigating purposes, to irrigate these lands?

Mr. WATRISS. In 1883 there was a contract made between Manuel Gonzales and Carlos Conant, which resembles very much in its terms the concession now in force. But on the 21st of August, 1911, Citizen Rafael Hernandez, secretary of State and of the interior department, and Alberto Stein, as a representative of the Richardson Co., entered into a contract, which was duly approved by Congress in December, 1911. For your better information I will put the contract in evidence.

(Said contract is copied in the record in full, in "Watriss Appendix B.")

The CHAIRMAN. The Yaqui River, from which this water is taken, is an interstate stream, is it not?

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Mr. WATRISS. I am not sure. So far as I know, it is. I am not certain whether it divides Sonora from Chihuahua on the north or not. I have a map here which may show it.

The CHAIRMAN. The two principal tributaries are the Bavispe and the Rio Verde de Arros.

Mr. WATRISS. Yes, sir.

The CHAIRMAN. The Rio Verde de Arros runs on the Continental Divide west of the city of Chihuahua, and flows almost north and west, and joins the Bavispe and forms the Yaqui.

Mr. WATRISS. There are two other rivers mentioned in this original contract with which I am not familiar. I think, Senator, you know more about it than I do. I am speaking of the River Yaqui, the Mayo and the Fuerte.

The CHAIRMAN. Yes. Some are in Sinaloa, and some in Sonora, and the Sonora waters are formed by the addition of waters rising in Chihuahua, in the Rio Verde de Arros. So, under the Mexican law, it is a national stream.

Mr. WATRISS. Yes, sir.

The CHAIRMAN. And to obtain irrigation rights or water-power privileges upon those rivers, they being interstate streams, it is necessary to go to the National Government to secure them. If it was purely a State stream, such rigts might be secured from the State government itself.

Mr. WATRISS. I have no interest in Sinaloa, but altogether on the Yaqui River in Sonora.

The CHAIRMAN. I understand that, but the waters of the Yaqui flow in an international stream. The Yaqui being a national stream and under national control, therefore, your contract is made with the department of fomento, and ratified by the Congress of the National Government.

Mr. WATRISS. Yes. Before we go further I may say also that the company had a tax contract with the State, and that contract was dated September, 1909, and was to run for 10 years beginning with the next fiscal year, and fixed for that period a rate of taxation on the company's land. I will put that in evidence, too.

[Said tax contract referred to is copied in the record in full, in "Watriss Appendix B."]

The CHAIRMAN. What amount of money did the company agree in its contract that it would devote to the development of irrigation, etc., for the use of water from the Yaqui River, in round numbers?

Mr. WATRISS. There was no sum specified for the ultimate future. There was, however, this provision:

> The company binds itself to prove to the department of fomento within a period of 18 months from the date of publication of this contract that it can rely on a sum of not less than 1,000,000 pesos with which to commence the construction of the dams referred to under section 3 of article 15. Within the 18 months following it must prove that it possesses not less than 4,000,000 pesos with which to continue the irrigation work.

The CHAIRMAN. Now, in securing that contract, did the company give any security to the department or the Mexican Government for its compliance with the terms of it?

Mr. WAITRISS. I don't think so.

The CHAIRMAN. All right. It will speak for itself.

Mr. WATRISS. Yes. In general it assumes a lot of obligations, but I don't recall that it made any deposit.

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The CHAIRMAN. During your contract or in the first contract were you not required to put up bonds on the internal debt in compliance with the contract?

Mr. WATRISS. Oh, yes.

The CHAIRMAN. You could not get a contract from the Mexican Government otherwise. It may not show in your last contract, but it will show in the first one.

Mr. WATRISS. I presume so.

The CHAIRMAN. The Mexican Government had a double policy. It first made you give security, and required generally that the security should be on the internal bond indebtedness, so the country would have a market for their internal bonds.

Mr. WATRISS. That was a good many years before I had anything to do with the country, and I am not familiar with what those transactions were.

The CHAIRMAN. What is the status of the contract at the present time?

Mr. WATRISS. I do not know. We have not heard the worst yet. But for a period of a year they have been threatening to cancel our contract, our water contract, for certain alleged breaches on our part, as to the conditions by us to be performed, and they have been trying to get possession of the company's lands in the State by means of certain proceedings for the collection of taxes, in violation of the tax contract with us. So we are being shot at from both directions.

The CHAIRMAN. That is, the State of Sonora is seeking to take possession of the lands, because of what they claim to be violations of the tax provision?

Mr. WATRISS. They don't claim there are any violations of the contract by us, but they have instituted a new system of taxation, which is a violation of the contract with us.

The CHAIRMAN. And, claiming a failure upon your part to comply with the recent tax laws, they have attempted to take possession of your lands?

Mr. WATRISS. Yes, sir.

The CHAIRMAN. Have they succeeded in taking possession?

Mr. WATRISS. Two or three years ago they succeeded in selling a small part, a very insignificant amount of land, and some of the company's personal property. A short time ago they embargoed a considerable tract of land for sale, and we protested to the State Department, and in turn the State Department made whatever representations it did to Mexico, and my last communication from the State Department was to the effect that they had heard from Mexico, that they could not do anything to interfere with the operation of the State laws, or words to that effect. Nevertheless, so far as I have been informed, they have not actually taken possession of those lands. They offered them for sale, and they were advertised. I understand that on the original return day of the advertisement no bidders appeared. What they did after that we have not heard. That has all been within the month.

The CHAIRMAN. Have you had your attention called to the recent law of the State of Sonora?

Mr. WATRISS. The agrarian law?

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The CHAIRMAN. The agrarian law, by which that State proposes to divide up the lands and sell them out?

Mr. WATRISS. Yes. I know of it superficially. I have not studied it.

The CHAIRMAN. With reference to the action of the State Government of Sonora, in attempting to take over your lands, you say you have made a statement to the State Department here?

Mr. WATRISS. Yes, sir.

The CHAIRMAN. And they have in turn made representations to the Mexican National Government?

Mr. WATRISS. Yes, sir. Those attempts have been running over a period of three or four years. Sometimes it has been quiet, and then again they have stirred it up. Each time, of course, we have gone to the State Department, and at the beginning every time the State Department made representations to Mexico we got relief, but latterly it has been getting more difficult.

The CHAIRMAN. The National Government of Mexico replied that they could not interfere with the State government?

Mr. WATRISS. Yes, sir; in effect that was their reply.

The CHAIRMAN. Do you know what answers have been returned, if any, to any representations which may have been made with reference to those agarian laws?

Mr. WATRISS. No, sir; I do not.

The CHAIRMAN. Now, what is the condition, if any, with reference to the irrigation proposition itself, that being a national matter?

Mr. WATRISS. On December 21, 1918, the bureau of waters sent a communication to the company's representative, in which they say:

Referring to the contract entered into between this department and said company August 18, 1911, for the use of the waters of the Yaqui River to the maximum amount of 3,942,000,000 cubic meters per annum for the irrigation of its lands, I hereby affirm that the company you represent, not having complied with the obligations imposed upon it by articles 4, 5, 9, 15, 18, 19, and 21 of the aforesaid concession, said concession to be declared forfeited, as provided in article 27 thereof; and in order that the said company may submit its defense, and in pursuance of the article last above cited, it is hereby granted the period of two months, not subject to extension, for this purpose, with the understanding that in the event that no such defense is submitted, this department shall definitely decree the forfeiture of such concession. The foregoing is transmitted to you for your information and action.

The communication then refers to the six causes of forfeiture alleged and classified in accordance with the various articles. I have in my hand, which I propose to submit in evidence, a copy of the defenses which the company filed, both in Spanish and English, a copy of which was also filed with our State Department, with communications showing all the circumstances surrounding the transaction. It would be a waste of time to read this defense here, but in general I will say this: That there is a complete answer to each one of the breaches alleged on the part of the company. I would like to submit this particular portion to the committee at this time:

In the early part of 1912 conditions in the district in which the works of the company are situated assumed such a grave character of insecurity that it was impossible for the company to continue the construction of the projected works.

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That is what I referred to in the early part of my testimony, that they had plans, but conditions in the valley interfered with their execution. [Continuing reading:]

Exercising the rights conferred by article 16, in May, 1912, the company applied for the suspension of the periods set forth in its concession and filed evidence in support thereof. In the judgment of the department of fomento the evidence submitted was convincing and on August 9 of the said year of 1912 said department addressed to the company communication No. 1030, the relevant part thereof being as follows:

"Referring to the applications presented to this department by you as attorney in fact of the Richardson Construction Co. (Inc.), conces ionaire for the use of waters of the Yaqui River in the State of Sonora for the purposes of irrigation, requesting, in view of the conditions existing in that district, that the periods stipulated in article 15 of the contract of August 18, 1911, be su'pended, I hereby state that in view of the reports in possession of this department, it accedes to your application and therefore the periods mentioned in article 15 of said concession are suspended until tranquility is restored to the State of Sonora and normal conditions again prevail in the region of the Yaqui Valley, which I transmit to you for your consideration and action."

Now, in answer to each one of the alleged breaches on the part of the company, specific defenses are set up, but in general we rely upon this suspension of our obligations under the contract, which has never been terminated up to the time they served this notice on us. And, as evidencing that tranquility in the State of Sonora has not been restored and that normal conditions do not yet prevail in the region of the Yaqui Valley I want to read you a letter. This is a letter from Gen. Calles, governor of the State of Sonora, and his message to the state legislature, on September 16, 1918, in which he says:

The campaign against the rebellious Yaqui Indians has continued to be prosecuted by the military forces with the assistance of the inhabitants of the threatened districts, by whom the evil is being slowly extirpated. Some of the mayors of towns have addressed communications to the executive, asking for arms and ammunition with which to fight the rebellious Yaquis, all of which petitions are transmitted in due course to the general staff, which has promptly carried out the suggestions made in connection therewith.

The rebellion of the Yaquis, which is a fatal obstacle to the advancement of the State, has been and will be difficult to extinguish, due to the tactics they employ in committing their depredations, which consist in evading contact with the pursuing troops and of attacking defenseless places; but in spite of all this it can be affirmed that the situation is improving, due to the efforts of the soldiers and civilians, and the day is not far distant in which we may find ourselves free from what now constitutes the principal obstacle to the development and growth of the most important agricultural region of Sonora.

There is not only a defense to all the cases of forfeiture alleged in the communication, but there is a specific defense in each one; besides establishing, in my judgment, a complete defense, it goes further and shows that we have done more in each case than the concession called on us to do.

The CHAIRMAN. In connection with that, have you any information as to whether actually the Yaqui Indians themselves are solely responsible for this terrible condition of affairs there?

Mr. WATRISS. My information on that point is, of course, hearsay. Our manager, Mr. Sibley, who spends his time partly in the valley and partly in Sonora, is more familiar with that, and I would like to have your permission to bring him before you, either here or when you are in Texas. He can give you full information of the details.

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The CHAIRMAN. From the details within my own knowledge, I am frank to say I think the Yaqui Indians are the most abused people in the world, probably.

Mr. WATRISS. In our experience—and I say that again from hearsay—they are the only good people with whom we have had to do, but they are savages, and they think they have been robbed and they are taking it out on us. They think that it belongs to them. I don't know the history of that.

The CHAIRMAN. I notice in article 28 of your contract or concession a statement as to the securities which you are to put up. It is exactly as I thought it would be. In the original contract of 1909 there was placed in security for the performance of that contract the sum of $10,000 in internal bonds, internal debts, and that $10,000 is accepted as a security in this new contract, and remains on deposit in Mexico. So that if your contract were forfeited, your concessions were forfeited, you would also forfeit the bond?

Mr. WATRISS. Yes, sir.

The CHAIRMAN. I notice in article 16 also of your concession there is the usual clause that is in all these contracts against forfeiture for caso fortuito, unforeseen accident, or o de fuerzo mayor, or some reason beyond your control?

Mr. WATRISS. Yes, sir.

The CHAIRMAN. That is the usual form in all those contracts?

Mr. WATRISS. In this defense which was transmitted to the State Department, there was also a communication, a copy of which I will submit in evidence, but a part of which is as follows:

A careful and unbiased scrutiny of the company's history leads to the inevitable conclusion that no grounds either substantial or technical, legal or equitable, justify a cancellation of its contract, but it is commonly known through the north that the governor of that State, Gen. P. Elias Calles (whose attempts to divest all property from foreigners in Sonora through drastic tax decrees, are already familiar to your department), is bitterly opposed to the compania constructora Richardson, and we have evidence that the Mexican Government was moved to this procedure of cancellation by certain recommendations of Gov. Calles, which being quite consistent with the national policy of confiscation was promptly approved and acted upon. I am informed upon reliable authority from Mexico City that the case is already predetermined, and unless there is prompt and vigorous diplomatic interference by the United States, the Federal Government of Mexico will disregard any defense of the company, and will cancel the contract on or very soon after February 20, 1919, when the proceeding is returnable.

He did not do it on that date, but I was told subsequently the concession had been canceled, though they do not appear to have taken any steps to reduce the property to their physical possession. Just what the situation is I do not know, except that ostensibly we are out of it.

The CHAIRMAN. At any rate, due to the Yaquis or some one else, you are not in possession and can not continue at work?

Mr. WATRISS. We are in possession, but it is a precarious tenure. We have people there, who are doing all the work they can, keeping the canals open, cleaning them and repairing them, but they are not doing very much irrigating. They are doing as much irrigating as they can, but we have never been able to get labor to go into the valley to do the work in any considerable quantity. I do not say "never," but I mean recently.

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The CHAIRMAN. Have you had any knowledge of any communication from the oil companies to the State Department with reference to the payment of sums demanded by others than the Carranza Government? Do you know anything about payments to Pelaez or others by the oil companies?

Mr. WATRISS. No; I do not know, except from hearsay. I know that such payments have been made.

The CHAIRMAN. Is there any other statement you care to make now?

Mr. WATRISS. I don't know that it is evidentiary, but in general I should like to say that wherever we have had occasion to go to the State Department with a complaint or grievance or suggestion, we found them very receptive; that Mr. Polk told a delegation of our men, when they came up there some time ago, that he recognized that our claims were just, and that the State Department could be relied on by us to go as far as it could in the way of diplomatic intervention, but from that point on he said the matter was up to Congress. I say also that Mr. Fletcher has been very accommodating, and that but for his, as I believe it to be, understanding of the mental psychology and his sympathetic understanding of our difficulties, I think we should have found ourselves in a very serious plight long before this. The impression I get is that both those gentlemen and others with whom we have had to do would be very glad to go further if they were allowed to.

The CHAIRMAN. Allowed to by Congress, do you mean?

Mr. WATRISS. I do not know. I have the feeling from talking with them that there is a restriction somewhere; I do not know where it is.

The CHAIRMAN. You said, as I understood you, that Mr. Polk's statement was that the State Department would go just as far as it could diplomtaically in protecting your interests, but from that point on; that is, apparently from the ending of the diplomatic attempt, if not successful, then the matter was up to Congress. Did you gather from him what he meant by being up to Congress?

Mr. WATRISS. It followed a discussion of what methods were open to the United States Government to protect what we believed to be our rights in Mexico. In the course of that discussion Mr. Polk asked these gentlemen if they were afraid of intervention.

The CHAIRMAN. Armed intervention?

Mr. WATRISS. Armed intervention.

The CHAIRMAN. Asked the oil men if they were afraid of armed intervention?

Mr. WATRISS. Yes, sir. They replied that they were not. There was some more discussion along that same line, and the end of it was the statement I have just quoted from Mr. Polk.

The CHAIRMAN. That when he was not able to secure your protection through diplomatic representations, then the matter would be up to Congress?

Mr. WATRISS. Yes, sir.

The CHAIRMAN. I am a little puzzled to know just what was in Mr. Polk's mind with reference to its being up to Congress. However, Congress has displayed its willingness, at least, to assume a part of the burden by the appointment of this committee for the investigation of Mexican affairs.

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Mr. WATRISS. Yes, sir. Are there any communications that passed from the Petroleum Association to the State Department of which you would like to have copies, or are you going to ask the State Department to produce their files?

The CHAIRMAN. I have some time since written the State Department and requested the department to furnish this committee with copies of protests, if any, made by the department to the Mexican Government, or any officials of the Mexican Government, or of any State, with reference to oil matters or any other matters of interest to American citizens, and also copies of any replies received to such representations or protests from the Mexican Government, or from any State government, or from any official. So far we have not been furnished with any such information.

Mr. WATRISS. I think it would be interesting if the committee could also get from the State Department, or from some other department that was in office last year during the war, the communications that passed between that association and its committees and the fuel administrator and the State Department, and so on. They would have considerable bearing, I think, on this petroleum situation in Mexico.

The CHAIRMAN. The committee has a method of securing such information, and if it can not secure it—it has no reason to doubt it will not be furnished it by the State Department—but in the event the State Department can not get it, or will not get it, then the committee will pursue other methods of securing such information. The State Department, I may say without violating any confidence, has answered in regard to certain other matters, with reference to claims filed by American citizens, and seems to be doubtful of the propriety of furnishing this committee with the facts upon the subject, for the reason that some of the parties interested themselves in filing claims might not desire publication, or some of them may be in Mexico, some of them might be influenced for financial reasons, might not want public disclosures of their losses, it might affect their credit, and various reasons of that kind. However, they have not refused to give the information to the committee, but have suggested these objections to the committee.

Of course, some of these objections might be tenable, if the committee were compelled to publish them in the record and could not receive in executive session such information as might be imparted to it, which for some sufficient reason was desired not to be given publicity. Of course, we are representing the Foreign Relations Committee of the United States Senate, which holds executive sessions, and the committee has a good deal of information imparted to it, the subcommittee, and the Foreign Relations Committee, in executive session, which never receives publicity. I have no doubt that the department and this committee will be in cooperation.

Mr. WATRISS. The reason for my suggestion was I thought if your committee was not already in possession of the information, and you may well be, that that series of communications would go very far toward illustrating to you the methods that the Mexican Government has pursued in their endeavor to get in possession of the oil content of these lands that was going on last summer when there was rather a critical situation abroad.

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The CHAIRMAN. As I have indicated, the committee has not, of course, received such communications as have passed backward and forward, but no doubt the committee will receive the communications from the department. If it can not get the information from that source, it will then pursue other channels.

Mr. WATRISS. And to get back to the difficulties of the Richardson Construction Co., some time before you conclude I would like to produce Mr. Sibley before the committee and have him tell you first hand his dealings in Mexican affairs, and also such statements as you would care to receive with regard to the operation of the companies.

The CHAIRMAN. The committee will be very glad to avail itself of the opportunity to hear from Mr. Sibley. Possibly it may be more convenient to take it when the committee reaches the border in the course of its investigation. It will conduct investigations along the border, possibly at Nogales and Naco, and other points along the border.

Mr. WATRISS. Of course; Mr. Sibley's home is in California.

The CHAIRMAN. The committee purposes going to California also.

Mr. WATRISS. He is engaged in rather important business out there just now, but of course I could bring him here.

The CHAIRMAN. I spoke of Nogales and Naco particularly particularly because the settlers on these lands which you have been seeking to develop come out through those points.

Mr. WATRISS. Yes, sir.

The CHAIRMAN. And the committee will undoubtedly interview many of those settlers.

Mr. WATRISS. Do you care about this original Conant contract?

The CHAIRMAN. No; I think that is not necessary. The later contract, I think, covers the situation sufficiently.

Mr. WATRISS. I would like to submit these in evidence.

The CHAIRMAN. You may submit anything you care to.

(The documents referred to by the witness are copied in the record in full, and appear in "Watriss, Appendix B.")

Mr. WATRISS. Would you care for this map?

The CHAIRMAN. I don't know whether your map could be reduced sufficiently for the record or not. You can file it for the information of the committee, if you desire, and we would be very glad to have it. You can file that with the committee in that way.

Mr. WATRISS. I will be very glad to leave it with you.

The CHAIRMAN. The subcommittee will take an adjournment until Thursday morning at 11 o'clock.

(Thereupon, at 1.30 p. m., the subcommittee adjourned until Thursday, September 18, 1919, at 11 o'clock a. m.).

BOYNTON APPENDIX A.

STATEMENT BY MR. BOYNTON.

We organized a bureau for the purpose of gathering all information possible bearing on the present situation in Mexico. We secured copies of every Mexican paper available. These papers were read daily and translation made of everything that bore on the situation in the country—financial, industrial, railroad, political, military, etc.

We started a campaign of membership and sent two men into the field to explain our aims and purposes where they apparently were most misunderstood. We have kept in touch with our own membership, and with the State Department for the purpose of bringing forward such conditions as we felt were sub-

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stantiated by investigation or came from such a source as to make them worthy of trust. When we received information of actual news happenings which had not yet been made public, we announced them and we have been in an attitude of defense against misrepresentation, misstatements, and an effort to mislead the American public as to conditions in Mexico, as well as an aggressive attitude of demanding protection for life and property. In this work we have sent out a small amount of matter for publicity purposes which is entirely included in the batch of matter I hereby present for the consideration of the committee.

At the same time we have gotten out, since its organization, four bulletins carrying information of value to our members, statements of the progress of international relations with Mexico, and such other matter as we thought bore on the subject. I present a full set of these bulletins.

SEPTEMBER 5, 1919.

Memorandum for Mr. Boynton.

Below is given a list of all material sent to newspapers and press associations by the National Association for the Protection of American Rights in Mexico:

No. 1. Statement made to the National Association for the Protection of American Rights in Mexico by a member of the trade excursion visiting Mexico in April-May, 1919.

No. 2. State Department's report to George C. Wright, of Kansas City, Mo., owner of the Chivela plantation in the State of Oaxaca, Mexico, of the details of the murder of Edward E. Morgan, American manager of the property, and his assistant, Ruiz.

No. 3. Full text of the two resolutions introduced by Senator King, of Utah, in the United States Senate on May 20, 1919.

No. 4. Statement of member of the association regarding Villa's raid on Parral, Mexico, together with conditions of transportation.

No. 6. Extract from Mexican newspapers telling of attacks by rebels on railroad lines causing interruptions of traffic.

No. 7. Translation from El Universal containing decree of mayor of Morelia, Mexico, that all male residents and visitors to that town must wear pants.

No. 8. Synopsis of claims of William B. Mitchell, formerly general manager of the Banca de Londres y Mexico at Mexico City, in his suit to enjoin Alfredo Catureglia, the financial representative of the Carranza Government, from withdrawing $140,000 from the Bank of Montral.

No. 9. Textual translation of article 27 of Mexico's new constitution and its effect on American property holders.

No. 10. Announcement of the State Department at Washington of the murder of Lee Roy Moye, an employee of the Gulf Refining Co.

No. 11. Announcement of the murder of John W. Correll and the maltreatment of his wife.

No. 12. Statement of the association that it intended to use its utmost endeavors to make the Correll case an international issue.

No. 13. Statement of details of Carranza stopping the drilling of oil wells in Mexico. (Petroleum papers only.)

No. 14. Armed Mexicans raid on the camp of the Atlantic Refining Co., near Port Lobos, Mexico.

No. 15. Reply of this association to the interview published in the New York Times by Gen. Candido Aguilar, through Manuel Carpio, the head of the Mexican propaganda bureau.

No. 16. Details of the massacre of passengers and the dynamiting of a train between Mexico City and Vera Cruz.

No. 17. Copy of letter sent to the Mexican Ambassador at Washington, Senor Ignacio Bonillas, by C. H. Boynton, executive director of this association.

No. 18. Copies of the bulletin of this association, Nos. 1, 2, 3, 4.

No. 19. Memoranda showing number of crimes committed in Tampico district in which Correll was killed indicating 112 crimes in a period of 539 days—an average of one outrage against an American citizen every 4.8 days in this single small district.

No. 20. Pressing for a solution of the Mexican problem. Statement of C. H. Boynton, executive director.

No. 21. Revision of list of Americans murdered in Mexico, combining the list submitted to the House Committee on Rules by Ambassador Henry P. Fletcher,

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and the other known lists, showing approximately 396 murders and adding five names of Americans which had not appeared on any previously published lists.

No. 22. List of Americans murdered in Mexico. (No more copies of this list are on file. It may be found on page 10 of Bulletin No. 2, just as it was given to the newspapers.)

[For release May 26, 1919.]

Business men who recently participated in a trade excursion into Mexico are not inclined to favor the immediate investment of capital in that country. Banking facilities were found to be unsound; transportation was suffering severely from the lack of rolling stock, and manufacturing, smelting, and mining industries were operating on part time. A visit was made to Tampico where the situation in the oil fields was shown to be unsettled.

The excursionists were everywhere given a courteous and cordial reception. The crops seemed to be good and it was reported to members of the party that they were better than they had been for several years past.

These statements are taken from a report made to the National Association for the Protection of American Rights in Mexico by a member of this trade excursion who writes that—

"The conditions in Mexico are still far from normal, but sufficient improvement has been noted during the last few months to warrant an effort toward establishing more active commercial relations.

"The majority of the excursionists, however, are not inclined to favor the immediate investment of capital in Mexico. They believe a better plan is to cultivate closer social relations with the Mexicans, study their needs and customs, and lay the foundation for the business which they feel certain will come from Mexico.

"I believe one of two things will happen in Mexico within the next year or two," says the report. "Either the Mexican people will stabilize conditions sufficiently to give adequate protection to foreign capital and industries or it will be done for them. The reason is obvious. Mexico has much that the world needs and needs badly. It is, therefore, reasonable to suppose that the world will secure these necessities.

"Carranza is unpopular with practically all classes except those who have been abe to profit from the spoils of office. It seems to be the general impression that he will make no effort to continue to hold the presidency, although his statement that he would not do so has been questioned.

"Public sentiment toward the United States has undergone noticeable change since the signing of the armistice. The Mexicans realize now that they misjudged this country and have a most wholesome respect for our fighting ability. German influence has slumped materially and not in years has the sentiment, particularly among the important commercial interests, been so favorable to better business relations with the United States.

"General conditions were found to be better than expected. Few evidences of acute suffering or want were seen. Manufacturing, mining, and smelting industries were found operating on part time.

"Second in importance to the restoration of order throughout Mexico, is rolling stock for the railroads. The rails and roadbeds over which we were escorted are in good condition, considering the years of revolution through which the country has passed, but most of the rolling stock has been confiscated. There can be no great volume of business in the republic until this shortage is remedied.

"Many banks throughout the republic have been forced to close, the Government seizing all the money. Banking facilities are in bad shape. The establishing of sound government institutions is essential. It is equally important, many business leaders asserted, that American financial concerns establish branch banks in Mexico, thus making long time credits possible, and facilitating the transaction of business between the two countries.

"The situation at Tampico continues unsettled. Interests there are subject to high and unjust taxes and the government is condemned for not providing adequate protection from bandit activities. At the same time the majority of the American concerns there also severely criticize their own government for allowing such a state of affairs to continue without taking action to help them. Robberies and bandit outrages in this region are frequent, as shown by press reports.

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"Mexico City shows little effect outwardly of the battles fought there during the revolutions. There is no semblance of any business depression to an outsider, although an investigation reveals practically no constructive work being done and that commercial operations are seriously handicapped by the lack of adequate banking facilities and railway rolling stock."

A member of another trade excursion, in a letter to the National Association for the Protection of American Rights in Mexico, said:

"I was somewhat disappointed in the present conditions in Mexico upon my recent visit there. As guests of the Carranza Government, naturally we were shown the best side and were cordially received. However, it is my opinion that their cordiality may be explained on the grounds that they have reached a conclusion, since the signing of the armistice, that they 'have been barking up the wrong tree,' and that it is to their interest to show a friendly disposition toward the United States. They know that only in this country can they obtain money for their depleted treasury and that they must look to the United States for many commodities of which they are in need.

"I do not feel that they have any more real love for us than they had before. It is simply a matter of policy on their part. Frankly, unless they can get a loan from this Government or some American banking institution, I do not see how the Carranza administration can last very long. Money is needed to keep the army satisfied and to buy rolling stock and motive power to put the railroads of Mexico in proper shape.

"Banking conditions in Mexico are very bad and very unsettled. So far as I could determine, banks are merely marking time to see what laws the present congress will enact. The only salvation for the present Mexican authorities seems to be to pass laws protecting banking interests and foreign investments and properties.

"Here Carranza is between two fires. The enactment of such laws is likely to stir up trouble; if he does not enact them, his government will go bankrupt. I do not believe it wise for this Government or any private interest to loan Mexico money without definite arrangement for supervision of the manner in which it is expended. Otherwise it will be fooled away.

"I do not see how Mexico can be put on a stable basis unless the United States or some world power intervenes, at least to the extent of establishing some sort of a protectorate. Mexico is without question a country of wonderful resources, but the present generation will never develop them. Immigration must be encouraged by the enactment of sound laws protecting the lives and interests of foreigners in the country. I believe that this would result in the establishment of stable conditions and bring about the development of the resources of the country."

[For release May 29, 1919.]

The State Department has reported to George C. Wright of Kansas City, Mo., owner of the Chivela plantation in the State of Oaxaca, Mexico, details of the brutal murder of Edward E. Morgan, American manager of the property and his assistant Ruiz. The crime was committed in the early part of April. The victims were unprovided with any means of defense. They were set upon by six or eight men armed with rifles; their hands were tied behind them; their throats cut and each was shot three times. Morgan was also stabbed through the body. The official advices were set forth in a letter to Mr. Wright, the full text of which is here given:

DEPARTMENT OF STATE,
Washington, D. C., April 16, 1919.

Mr. GEO. G. WRIGHT,
1214 Grand Avenue, Temple Building,
Kansas City, Mo.

DEAR SIR.

In further reply to your telegram of April 9, in regard to the murder of Mr. Edward E. Morgan in Mexico, I have to inform you that I have received from the council at Salina Cruz a telegram dated April 11, 10 a. m., in substance as follows: The murderers were six or eight men armed with rifles. Witnesses saw them but assert that they did not recognize them. The throats of both Mr. Morgan and Mr. Ruiz, his assistant, were cut, and Morgan was stabbed throught the body. Each was shot three times. Their arms were tied behind them and they had no chance of escape. The law of Mexico for-

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bids the shipment of remains from that country for seven years but the President of Mexico has power to waive this requirement, and did so in another recent case. The military authorities are showing commendable zeal in their efforts to apprehend the murderers.

I am,
For the Acting Secretary of State.

ALVEY A. ADEE,
Second Assistant Secretary.

Due to the unsettled condition in Mexico, Mr. Morgan's family has been residing in Houston, Tex., and was not on the plantation when the murders were committed.

Mr. Morgan had been a resident of Mexico for many years. He was kind to the natives, understood them and was generally liked by the people living in the country about Chivela plantation. There is a colony of 500 natives on the property and the American manager invariably came to their assistance in times of great need. Returning to the plantation in 1916 after a lengthy enforced stay in the United States because revolutionary conditions had made it impossible to work property, he found the colonists in a desparate condition. On making a trip of inspection of the plantation he noticed that on passing the homes of the colonists none of the women appeared. He learned on inquiry of their men folk, that the women had so little clothing left that they were ashamed to be seen. At his own expense, Mr. Morgan saw that cloth was provided to clothe the entire colony.

In a letter to the National Association for the Protection of American Rights in Mexico, Mr. Wright says regarding the murder of Morgan:

"The State Department advises that I appoint a representative to look after my interests at Chivela. While fully appreciating any suggestion from the department, I would have very small regard for the life of my fellow man to send an American there to take charge, knowing that we are not allowed firearms for ourselves or for the natives who assist us in defending our property.

"We have been forced to live there with no protection in the way of firearms. You will notice that this bunch of murderers was fully armed. Where do they get their arms? They get them through this so-called Carranza Government, while a man in the peaceful discharge of his duties is left entirely defenseless.

"No murders will be punished so long as our Government looks to the Carranza Government to punish them. If our State Department believes that any punishment will be inflicted through the Carranza military element, its information is directly at variance with all information I receive from Mexico and such as I have gleaned on my visits to that unfortunate country.

"Your attention is called to the statement that 'the military authorities are showing commendable zeal in their efforts to apprehend the murders.' This statment, to those who know conditions, means nothing. These so-called military authorities are in all probability the people to blame as having a hand in this murder.

"It is known to every one acquainted with the present situation in Mexico that the danger in that country and the crimes committed are due not to the rebel factions, but to the so-called bandits and the military faction that constitutes the Carranza Government.

"Please note that witnesses saw the murderers but assert that they 'did not recognize them.' It would be far from natural that a defenseless native would admit that he recognized the murderers, as he knows that if he made such a statement, he would meet a like fate. If necessary I would be glad to bring such natives to this country and place them beyond the power of these murderers if they would reveal the identity of the assassins of Morgan and Ruiz. It is probable that if given protection, they would be willing to disclose the names of the slayers."

To the EDITOR.

We forward you herewith the full text of two resolutions introduced on May 20 in the United States Senate by Senator William H. King, of Utah, and referred to the Committee on Foreign Relations. They are furnished for your information and publication.

Yours, very truly,

NATIONAL ASSOCIATION FOR THE PROTECTION OF AMERICAN RIGHTS IN MEXICO,
347 Fifth Avenue, New York, N. Y.
By C. H. BOYNTON, *Executive Director.*

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Resolution introduced by Senator King, May 20, 1919:

"**Whereas claims aggregating millions of dollars in compensation for damages to property and for personal outrages and destruction of life, sucered by citizens of the United States in the Republic of Mexico, have been filed with the Department of State for presentation to the Government of Mexico; and**

"**Whereas some years have already intervened between the commission of such damages and outrages and no progress is apparently being made toward the liquidation, settlement, and payment of such claims: Now, therefore, be it**

"*Resolved*, **That the Secretary of State be, and he is hereby, directed to report to the Senate whether or not said claims have been presented to the Government of Mexico, and what steps and measures are being taken to prosecute such claims and to liquidate and settle the same, and if said claims have not been presented, then to report to the Senate what steps and measures are contemplated to be taken with respect thereto and when the department will proceed with the same.**

"**Also to report to the Senate the number of citizens of the United States who have been killed in Mexico since Porfirio Diaz retired from the Presidency of Mexico, together with the number of nationals of other countries who have been killed in Mexico, so far as the Secretary of State is advised; also to report to the Senate the amount of claims filed with the State Department for damages suffered by citizens of the United States in Mexico and any information which the Secretary of State has as to the confiscation of property of citizens of the United States and as to the damage suffered by the citizens of the United States in Mexico which may be in his possession.**"

"*Resolved*, **That the President is requested to open negotiations through diplomatic channels with Mexico for the appointment of a joint high commission on the part of the United States and upon the part of Mexico, which shall be authorized to consider, liquidate, and settle claims made by the citizens of the United States to recover damages suffered on account of the delinquency of the Government of Mexico.**"

Francisco Villa, the Chihuahua, Mexico, rebel leader, made a rich haul during his latest raid on the mining town of Parral, Chihuahua. A telegram received by a member of the National Association for the Protection of American Rights in Mexico by a refugee from Parral, who succeeded in reaching El Paso, Tex., says:

"Conditions in Parral very bad. Villa took from the mining companies and the town half a million gold. Railroad torn up in many places over stretch of 30 miles."

A letter from Parral, dated May 11, 1919, states that the town has been shut off from communication with the outside world. An extract from the letter is given herewith:

"There has been no train for a month and almost no news from the outside. The San Francisco del Oro mine has shut down. The manager and some of his men will go out to-morrow morning. The rest will leave later."

Mexico has been suffering for many months from an acute shortage of railroad rolling stock. This is greatly handicapping the Mexican War Department in mobilizing troops to combat Villa, according to newspapers of Mexico City.

El Universal, the leading newspaper of the City of Mexico, under date of May 13, 1919, says:

"General Caesareo Castro has not been able to move his troops north of Torreon because of the scarcity of railway cars. He will take a force of 2,000 men to cooperate in the campaign against Villa and it will require several trains to transport them.

"It was stated in official circles that President Carranza had issued orders that an adequate number of railway cars be sent to Mexico City immediately to move Gen. Castro's troops north."

Gen. Castro was until recently military commander of the State of Puebla. His forces have been operating in that State. Castro was relieved of his duties in Puebla in order to take part, with his men, in the Villa campaign. The forces which are being mobilized against Villa from the south will be based at Torreon and will be under the general command of Gen. M. M. Dieguez.

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El Excelsior, a newspaper of Mexico City, dated May 14, 1919, says in connection with the suspension of railway service in Chihuahua:

"Gen. Juan Barragan, chief of the presidential staff, said yesterday that the Chihuahua situation had improved considerably and that passenger traffic would be established from the south to Ciudad Jaurez within a few days.

"The suspension of railway traffic during the past few weeks has been due in a large part to military operations which demand this in order that the rebels may be cut off from all communication with the interior of the State. The bridges and tracks destroyed can be repaired by the Villistas north of Jimenez and on the Parral branch can be repaired in a short time. It is hoped that within a few days it will be possible to run trains from Jimenez north to the United States border and west to Parral."

The same newspaper quotes Alfredo J. Castellanos, a graduate engineer just arrived from Torreon, as saying that the Chihuahua situation demands prompt action to prevent a spread of trouble. He said that lack of cars made it difficult to move Federal troops and that in some instances had isolated military trains, tearing up the track before and behind them.

Many families, he said, from southern Chihuahua had sought safety in Torreon.

Mexican rebels in the States of Vera Cruz and Puebla recently have shown increased activity in attacking trains and interrupting traffic.

On the Alvarado railway line, south of Vera Cruz, May 8, a train was dynamited by rebels, and the military escort of 30 soldiers exterminated in a fight lasting half an hour. Juan Lagunes, leader of the rebels, succeeded in getting $12,500 from an army paymaster and passengers on the train.

Another attack on a train occurred about the same time on the Tierra Blanca line, near the station of Joachin in Vera Cruz. In this case the military train preceding a passenger train was dynamited and then attacked by the rebels. A hot fight continued for some time until rescue trains could be sent from Tierra Blanca. Upon the arrival of Federal reinforcements the rebels withdrew.

In addition to these two attacks, several unsuccessful assaults on trains in Vera Cruz and Puebla have been reported by the newspapers of Mexico City. Traffic on the railway between Vera Cruz and Tierra Blanca has been exceedingly irregular, due to rebel operations.

Federal officers have reported that the topography of the country and the luxuriant tropic growth up to the very edge of the right of way make it impossible to protect these lines by means of blockhouses. Because of these conditions observation from the blockhouses would be so limited and they would have to be placed so close together as to make any plan for their establishment impossible.

MUST WEAR PANTS.

El Universal, the leading newspaper of the City of Mexico, has this remarkable dispatch:

MORELIA, TEX., *April 21.*

The mayor, Senor Idalecio Contreras, has just issued a public order by which he makes obligatory the wearing of pants by the male residents and visitors when passing through the streets of the town.

The order directs that all persons who do not possess these articles of wearing apparel must provide themselves with these not later than May 5. Failure to comply with the order is punishable and the offender must secure pants before being released from custody.

The mayor specifies that the use of underwear will not be regarded as complying with the order.

William B. Mitchell, formerly general manager of the Banca de Londres y Mexico at Mexico City, now living in Forest Hills, Long Island, filed suit on May 14 through his attorneys, Rogers & Rogers, of 66 Broadway, to enjoin Alfredo Caturegli, the financial representative of the Carranza government in this country, with offices at No. 120 Broadway, from withdrawing from the Bank of Montreal $140,000. Mr. Mitchell claims that this money belongs to the Banca de Londres y Mexico, which was wrecked by the acts of the Mexican Government. The Bank of Montreal is made a party to the suit and the court is asked to enjoin this bank from paying out the money to any

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representative of the Mexican Government and the appointment of a receiver is asked to safeguard the fund.

The arguments on the motion will be heard in the Supreme Court, part 1, special term, on Wednesday, May 28, 1919.

The outcome of the suit is of unusual interest to Americans and others who have claims against the Mexican Government and who believe that the Carranza government is trying with the aid of the courts of this country to get his hands on millions of dollars which banks and other financial houses in a similar position to the Banca de Londres y Mexico have on deposit in banks in many cities of the United States.

Mr. Mitchell claims that his bank had assets of $154,000,000, with a gold and silver reserve amounting to about $20,000,000, until it was located by the Carranza government.

President Carranza, on September 16, 1916, according to Mr. Mitchell, issued an order suspending all banking operations and ordering that all banks level their metallic deposits with the issued bills within 60 days. Previously the banks had been permitted to issue bills which circulated as money to the extent of 2 for 1.

The first portion of the decree of September 16 made impossible the observance of the second. Mitchell, who had full authority in his bank, protested and was "confined" to his banking rooms until he signed a minute consenting to the appointment of a board of sequestration to take charge of his bank for the Government of Mexico. On his release from the "confinement" Mr. Mitchell protested, claiming that he had agreed under duress. For this he was placed in jail. Then it was demanded that he turn over to the board of sequestration the assets of the bank. He refused, and a file of soldiers took possession. But they could not open the vaults. Manager Mitchell, from the jail, agreed to have the vaults opened so that the Mexican Government could make an inventory.

On his release Mitchell opened the vaults and was told that the Government would take out approximately $3,000,000, and that when it was minted the coin would be returned to the bank. It never was, the bank receiving about 10 per cent.

Early in January, 1917, Carranza demanded a forced loan of $3,000,000, and on Mitchell's refusal to make it he was jailed again. To secure his freedom he consented, and then the Mexican Government raised the loan to $4,000,000. The process of looting went on rapidly after that, Mr. Mitchell claims. He was clapped in jail and released and jailed again, despite his protests, until there was not a dollar of real coin left in his bank. Then he came to New York, where his bank had on deposit $500,000 with the Bank of British North America, which was later absorbed by the Bank of Montreal.

Now, according to Mr. Mitchell, Carranza wants that $500,000.

[From the National Association for the Protection of American Rights in Mexico, 347 Fifth Avenue.]

The State Department at Washington to-day (Thursday) announced that Lee Roy Moye, an employee of the Gulf Refining Co., had been murdered by armed rebels at Tepetate on Tuesday last, July 1.

It is known to the National Association for the Protection of American Rights in Mexico that only Carranza soldiers are permitted to carry arms in this territory.

Moye is the fifth employee of the Gulf Refining Co. to be murdered. The others were Dunn, Cooper, Esparola, and Millard, all of whom were murdered during 1918 within a radius of 1½ miles of Tampico.

HOW ARTICLE 27 OF MEXICO'S NEW CONSTITUTION AFFECTS AMERICAN PROPERTY HOLDERS—A TEXTUAL TRANSLATION.

NATIONAL ASSOCIATION FOR THE PROTECTION OF
AMERICAN RIGHTS IN MEXICO,
No. 347 Fifth Avenue, New York City.

To editors:

This textual translation of article 27 of the new constitution of the Republic of Mexico, the accuracy of which we guarantee, is sent you for your information.

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Mexico is becoming an increasing subject of discussion in Washington and elsewhere. The greatest interest will center in article 27, which is of vital importance to American property owners and investors in that country. Its provisions are radical in the extreme and as it is retroactive is confiscatory of property rights.

Among other things article 27 provides:

(*a*) No foreign corporation or individual can legally acquire or hold any mines, oil wells, land, or other real property in Mexico unless he renounces his citizenship.

(*b*) No corporation, either domestic or foreign, can own agricultural, grazing, or other rural lands in Mexico, and if title to such property is already vested in a corporation provision is made for its acquisition by the respective State governments in exchange for State bonds.

(*c*) No corporation owning a mine, oil well, factory, or other industrial enterprise can hold or acquire land in excess of its actual immediate requirements, the area to be determined by the Federal or State executive.

(*d*) No foreign corporation or individual can, under any condition, hold or acquire ownership to lands or waters within 60 miles of its frontiers or 30 miles from the seacoast.

(*e*) The ownership to all minerals, solid, liquid, or gaseous, is declared to be vested in the nation, regardless of existing rights based upon the old constitution.

(*f*) All contracts relating to the acquisition of natural resources made since the year 1876 are subject to revision by the present government, and the executive is authorized to declare them null and void.

As frequent reference will be made to article 27 it is suggested that you place this translation on file.

NATIONAL ASSOCIATION FOR THE
PROTECTION OF AMERICAN RIGHTS IN MEXICO,
C. H. BOYNTON, *Executive Director.*

The following is a textual translation of article 27 of the new constitution of Mexico.

ART. 27. The ownership of lands and waters comprised within the limits of the national territory is vested originally in the nation, which has had, and has, the right to transmit title thereof to private persons, thereby constituting private property.

Private property shall not be expropriated except for reasons of public utility and by means of indemnification.

The nation shall have at all times the right to impose on private property such limitations as the public interest may demand, as well as the right to regulate the development of natural resources, which are susceptible of appropriation, in order to conserve them and equitably to distribute the public wealth. For this purpose necessary measures shall be taken to divide large landed estates, to develop small landed holdings, to establish new centers of rural population with such lands and waters as may be indispensable to them; to encourage agriculture and to prevent the destruction of natural resources, and to protect property from damage detrimental to society. Settlements, hamlets situated on private property, and communes which lack lands or water or do not possess them in sufficient quantities for their needs shall have the right to be provided with them from the adjoining properties, always having regard for small landed holdings. Wherefore, all grants of land made up to the present time under the decree of January 6, 1915, are confirmed. Private property acquired for the said purposes shall be considered as taken for public utility.

In the nation is vested direct ownership of all minerals or substances which in veins, layers, masses, or beds constitute deposits whose nature is different from the components of the land, as such minerals from which metals and metaloids used for industrial purposes are extracted; beds of precious stones, rock salt, and salt lakes formed directly by marine waters, products derived from the decomposition of rocks when their exploitation requires underground work, phosphates which may be used for fertilizers, solid mineral fuels, petroleum and other hydrocarbons—solid, liquid, or gaseous.

In the nation is likewise vested the ownership of the waters of territorial seas to the extent and in the terms fixed by the law of nations, those of lakes and inlets of bays, those of interior lakes of natural formation which are directly connected with flowing waters, those of principal rivers or tributaries

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from the points at which there is a permanent current of water in their beds to their mouths, whether they flow to the sea or cross two or more States; those of intermittent streams which traverse two or more States in their main body, the waters of rivers, streams, or ravines when they bound the National territory or that of the States; waters extracted from mines, and the beds and banks of the lakes and streams hereinbefore mentioned, to the extent fixed by law. Any other stream of water not comprised within the foregoing enumeration shall be considered as an integral part of the private property through which it flows, but the development of the waters when they pass from one landed property to another shall be considered of public utility and shall be subject to the provisions prescribed by the States.

In the cases to which the two foregoing paragraphs refer the ownership of the nation is inalienable and may not be lost by prescription; concessions shall be granted by the federal government to private parties or civil or commercial corporations organized under the laws of Mexico, only on condition that said resources be regularly developed, and on the further condition that the legal provisions be observed.

Legal capacity to acquire ownership of lands of the nation shall be governed by the following provisions:

I. Only Mexicans by birth or naturalization and Mexican companies have the right to acquire ownership in lands, waters, and their appurtenances, or to obtain concessions to develop mines, water, or mineral fuels in the Republic of Mexico. The nation may grant the same right to foreigners, provided they agree before the department of foreign affairs to be considered Mexicans in respect to such property, and accordingly not to invoke the protection of their Governments in respect to the same, under penalty, in case of breach, or forfeiture to the nation of property so acquired. Within a zone of 100 kilometers from the frontiers and of 50 kilometers from the sea coast no foreigner shall under any conditions acquire direct ownership of lands and waters.

II. The religious institutions known as churches, irrespective of creed, shall in no case have legal capacity to acquire, hold, or administer real property or loans made on such real property; all such real property or loans as may be at present held by said religious institutions, either on their own behalf or through third parties, shall vest in the nation, and anyone shall have the right to denounce property so held. Presumptive proof shall be sufficient to declare the denunciation well founded. Places of public worship are the property of the nation, as represented by the federal government, which shall determine which of them may continue to be devoted to their present purposes. Episcopal residences, rectories, seminaries, orphan asylums, or collegiate establishments of religious institutions, convents, or any other buildings built or designed for the administration, propaganda, or teaching of the tenets of any religious creed shall forthwith vest, as of full right, directly in the nation, to be used exclusively for the public services, of the federation, or of the States, within their respective jurisdictions. All places of public worship which shall later be erected shall be the property of the nation.

III. Public and private charitable institutions for the sick and needy, for scientific research, or for the diffusion of knowledge, mutual aid socities or organizations formed for any other lawful purpose, shall in no case acquire, hold, or administer loans made on real property, unless the mortgage terms do not exceed 10 years. In no case shall institutions of this character be under the patronage, direction, administration, charge, or supervision of religious corporations or institutions, nor of ministers of any religious creed or of their dependents, even though neither the former or the latter shall not be in active service.

IV. Commercial stock companies shall not acquire, hold, or administer rural properties. Companies of this nature which may be organized to develop any manufacturing, mining, petroleum, or other industry, excepting only agricultural industries, may acquire, hold, or administer lands only in an area absolutely necessary for their establishments or adequate to serve the purposes indicated, which the executive of the Union or of the respective State in each case shall determine.

V. Banks duly organized under the laws governing institutions of credit may make mortgage loans on rural and urban property in accordance with the provisions of the said laws, but they may not own nor administer more real property than that absolutely necessary for their direct purposes; and they may furthermore hold temporarily for the brief term fixed by law such real property as may be judicially adjudicated to them in execution proceedings.

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VI. Properties held in common by coowners, hamlets situated on private property, pueblos, tribal congregations, and other settlements which, as a matter of fact or law, conserve their communal character, shall have legal capacity to enjoy in common the waters, woods, and lands belonging to them, or which may have been or shall be restored to them according to the law of January 6, 1915, until such time as the manner of making the division of the lands shall be determined by law.

VII. Excepting the corporations to which Clauses III, IV, V, and VI hereof refer, no other civil corporation may hold or administer on its own behalf real estate or mortgage loans derived therefrom, with the single exception of buildings designed directly and immediately for the purposes of the institution. The states, the federal district, and the territories, as well as the municipalities throughout the Republic shall enjoy the full legal capacity to acquire and hold all real estate necessary for public services.

The federal and state laws shall determine within their respective jurisdictions those cases in which the occupation of private property shall be considered of public utility; and in accordance with the said laws the administrative authorities shall make the corresponding declaration. The amount fixed as compensation for the expropriated property shall be based on the sum at which the said property shall be valued for fiscal purposes in the catastral or revenue offices, whether this value be that manifested by the owner or merely impliedly accepted by reason of the payment of his taxes on such a basis, to which there shall be added 10 per cent. The increased value which the property in question may have acquired through improvements made subsequent to the date of the fixing of the fiscal value shall be the only matter subject to expert opinion and to judicial determination. The same procedure shall be observed in respect to objects whose value is not recorded in the revenue offices.

All proceedings, findings, decision and all operations of demarcation, concession, composition, judgment, compromise, alienation, or auction which may have deprived properties held in common by coowners, hamlets situated on private property, settlements, congregations, tribes, and other settlement organizations still existing since the law of June 25, 1856, of the whole or a part of their lands, woods and waters, are declared null and void; all findings, resolutions, and operations which may subsequently take place and produce the same effects shall likewise be null and void. Consequently all lands, forests, and waters of which the above-mentioned settlements may have been deprived shall be restored to them according to the decrees of January 6, 1915, which shall remain in force as a constitutional law. In case the adjudication of lands, by way of restitution, be not legal in terms of the said decree, which adjudication has been requested by any of the above entities, those lands shall nevertheless be given to them by way of grant, and they shall in no event fail to receive such as they may need. Only such lands, title to which may have been acquired in the divisions made by virtue of the said law of June 25, 1856, or such as may be held in undisputed ownership for more than ten years are expected from the provision of nullity, provided their area does not exceed 50 hectares. Any excess over this area shall be returned to the commune and the owner shall be indemnified.

All laws of restitution enacted by virtue of this provision shall be immediately carried into effect by the administrative authorities. Only members of the commune shall have the right to the lands destined to be divided, and the rights to these lands shall be inalienable so long as they remain undivided; the same provision shall govern the right of ownership after the division has been made. The excercise of the rights pertaining to the nation by virtues of this article shall follow judicial process; but as a part of this process and by order of the proper tribunals, which order shall be issued within the maximum period of one month, the administrative authorities shall proceed without delay to the occupation, administration, auction, or sale of the lands and waters in question, together with all their appurtenances, and in no case may the acts of the said authorities be set aside until final sentence is handed down.

During the next constitutional term, the congress and the state legislatures shall enact laws, within their respective jurisdictions, for the purpose of carrying out the division of large landed estates, subject to the following conditions:

(*a*) In each state and territory there shall be fixed the maximum area of land which any one individual or legally organized corporation may own.

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(*b*) The excess of the area thus fixed shall be subdivided by the owner within the period set by the laws of the respective locality; and these subdivisions shall be offered for sale on such conditions as the respective governments shall approve, in accordance with the said laws.

(*c*) If the owner shall refuse to make the subdivision, this shall be carried out by the local Government by means of expropriation proceedings.

(*d*) The value of the subdivisions shall be paid in annual amounts sufficient to amortize the principal and interest within a period of not less than 20 years, during which the person acquiring them may not alienate them. The rate of interest shall not exceed 5 per cent per annum.

(*e*) The owner shall be bound to receive bonds of a special issue to guarantee the payment of the property expropriated. With this end in view, the congress shall issue a law authorizing the States to issue bonds to meet their agrarian obligations.

(*f*) The local laws shall govern the extent of the family patrimony, and determine what property shall constitute the same on the basis of its alienability; it shall not be subject to attachment nor to any charge whatever.

All contracts and concession made by former governments from and after the year 1876 which shall have resulted in the monopoly of lands, waters, and natural resources of the nation by a single individual or corporation, are declared subject to revision, and the executive is authorized to declare those null and void which seriously prejudice the public interest.

(File for future reference.)

[From the National Association for the Protection of American Rights in Mexico, 347 Fifth Avenue, New York City.]

AMERICAN CITIZEN MURDERED—WIFE MALTREATED BY MEXICANS.

NEW YORK, *June 30.*

A statement signed by Mary Correll and her 16-year-old son Joe has been received by the National Association for the Protection of American Rights in Mexico, from Tampico, Mexico, relating how John W. Correll, the husband and father, was murdered by Mexicans, June 16, while trying to defend his wife, who was then maltreated in the most revolting manner by the Mexicans. The boy was shot at, but escaped. Following is the signed statement:

TAMPICO, TAMAULIPAS, *June 22, 1919.*

STATEMENT OF JOE CORRELL.

My father, John W. Correll, my mother, Mary Correll, and myself, Joe Correll, came to Mexico about two months ago from our home at Ada, Okla. We had read in newspaper articles and interviews stating that conditions in Mexico were again normal and we thought, judging from these, that we would be safe.

Upon arrival here my father purchased a tractor and other agricultural implements and we proceed to get our land at Colonia, which is about 20 miles northwest of Tampico, in shape so as to get in a crop.

Last Monday, June 16, at about 10 o'clock in the morning my father, mother, and myself were at our home when about 40 men (Mexicans) came there and searched our house, taking all our clothing, all the food we had, and also a rifle which my father had. After doing this they all left but four men. These four men went into the house and tore down all the curtains, shelves, etc. They afterwards marched me around on the outside of the house punching me with their rifles, when I made a break for the brush. They fired at me as I ran, one bullet grazing the collar of my coat. Then they commenced to maltreat my mother, and my father went to protect her, when they killed him, shooting him once through the head and once through the breast. They followed me to the brush, but did not find me. They robbed everything we had in the house, including bedding and silverware. I can not describe the horrible treatment my mother suffered after my father was killed.

We are Americans; my mother and myself were born at Ada, Okla.; my father in Tennessee, but I do not know the name of the place. I am 16 years of age. As soon as we can dispose of our agricultural implements we will leave for our home at Ada, Okla.

(Signed) JOE CORRELL.

The above statement made by my son is true.

(Signed) MARY CORRELL.

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A letter referring to this crime was received by C. F. de Ganhal, president of the Southern Oil & Transport Co., of 120 Broadway, from a correspondent in Mexico, whose name can not be given without exposing him to risk of reprisal, which said among other things:

"The details connected with the raping of Mrs. Correll are revolting in the extreme. This band, who are nothing but bandits, have had their headquarters at Mesquites, about 50 kilometers up the Tamesi River for many months, and have never been molested. About six weeks ago R. A. Bishop and William Bell, who went up there to look at some mules, were captured by these bandits and had to put up 300 pesos to get away. American ranches at Manuel and Chocoy have been raided and robbed by these people a dozen times in the last six months, and no effort had been made to capture them.

"Now right on top of this murder of an American citizen and the brutal outrage of an American woman there is published in the very district in which these crimes are committed, an official statement by Summerline, first secretary of the American Embassy in the City of Mexico, that no attention should be taken of the resolution of Representative Gould to investigate outrages upon Americans.

"This is certainly a declaration of an open season upon Americans."

Some members of the National Association for the Protection of American Rights in Mexico propose to lay this crime, which is typical of a long list of similar affairs, before the executive committee at its meeting next Thursday, with the request that the association make it a test case to ascertain whether or not American citizens are to receive protection from their Government.

Inquiries at Washington disclosed the fact that the Correll case had been reported to the State Department and that the department had made representations regarding it to the local authorities at Tampico and to the Federal Government at Mexico City.

[From the National Association for the Protection of American Rights in Mexico, 347 Fifth Avenue, New York City.]

CORRELL MURDER BY MEXICANS TO BE AN INTERNATIONAL ISSUE.

NEW YORK, *July 3.*

The executive committee of the National Association for the Protection of American Rights in Mexico at a meeting at No. 120 Broadway to-day decided to use its utmost endeavors to make the murder of John W. Correll, of Ada, Okla., an American citizen, the attempted murder of his 16-year-old son Joe, and the assault upon Mrs. Correll, 20 miles from Tampico, on June 16, an international issue; that is, to make the affair a test case to determine once for all whether or not American citizens can be and will be protected in Mexico and elsewhere. The case is a peculiarly flagrant one because the Corrells were lured to Mexico by roseate statements issued by the Carranza publicity bureau in Washington, saying that life was safe in Mexico, that conditions were normal there, and everybody prosperous. The decision of the executive committee was expressed in the following resolution:

Whereas, John W. Correll, an American citizen, was murdered near Tampico, Mexico, June 16, 1919, by Mexicans believed to be Carranza soldiers, because they are the only ones possessing rifles in that section, while defending the honor of his wife and the life of his young son; and

Whereas, his widow was maltreated by the murderers of her husband and was then left penniless in a hostile land, to which the family had been lured by false representations publicly and officially made, that the lives and property of foreigners in Mexico were safe, her assailants having stolen or destroyed all her possessions; be it

Resolved, That the National Association for the Protection of American Rights in Mexico provide funds to return Mrs. Correll and her son to the United States forthwith, and to render them every possible assistance in pressing, through the Government, their demand for the punishment of the criminals who committed this outrage and their claim for reparation from the Mexican Government; and be it further

Resolved, That this association as an organization and its members as individuals use every proper means at their command to secure, without delay, adequate reparation for the widows, orphans, and other dependents of the 540 American citizens who have been murdered in Mexico within the last four

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years, and to secure for the lives and property of Americans killed in Mexico that protection which every Government owes its citizens wherever they may be.

Pursuant to this resolution instructions were issued to take immediate steps to look up the widows, orphans, and other dependents of American citizens murdered in Mexico in order that they may be organized for concerted action in pressing their claims for justice and reparation. As one means to this end the association has men at work at its offices at No. 347 Fifth Avenue compiling a list of those murdered Americans from data on file there. The list will be incomplete, because the information on file in the State Department has never been made public.

The last murder reported to the association was not of an American but of an Italian employee of an American, Dr. Albert J. Ochsner, of 2106 Sedgwick Street, Chicago. On June 17, the day after the Correll murder, John Mantellero, who had been employed on Dr. Ochsner's plantation in the State of Colima, on the west coast, about 300 miles from Tampico, was on board a train when it was attacked by a large armed force. Mr. Mantellero was killed, 1,500 pesos in Mexican gold he was carrying to pay off plantation employees was stolen, and his body was burned when the train was set on fire. The case was reported to the Italian ambassador at Mexico City and to the American State Department. This crime may give rise to an interesting situation on account of the Monroe doctrine, which makes European nations chary about trying to protect their nationals. As the American Government does not attempt to enforce demands for protection, Italy may present her claims for reparation to this country.

Private advices to the association from Mexico to-day are to the effect that the Mexican Government has ordered all traffic suspended on the Tehuantepec Railway and on the Inter-Oceanic Railway between Vera Cruz and Mexico City. The orgy of anarchy throughout the nation is rendering traffic on the remaining railroads more precarious from day to day.

Field Secretary John N. Quail reports that the El Paso (Tex.) Chamber of Commerce, at a special meeting held for the purpose yesterday (July 2), voted to become an active member of the National Association for the Protection of American Rights in Mexico, passed a resolution indorsing the association's purpose and advising other chambers of commerce in Texas, New Mexico, and Arizona to do likewise.

[From the National Association for the Protection of American Rights in Mexico, 347 Fifth Avenue, New York City.]

CARRANZA USES TROOPS TO STOP OIL-WELL DRILLING.

NEW YORK CITY, *July 2, 1919.*

Details of the stoppage of oil-well drilling by Mexican troops acting under orders from the Carranza government have been reaching the National Association for the Protection of American Rights in Mexico in fragments. It seems that the first step was taken May 27, when Manager Ellis, of the Panuco-Boston Oil Co., was notified by the Mexican oil inspector to stop drilling at once, and that his company had been fined 500 pesos for drilling without a permit. On June 10, troops appeared, guided by Mexican oil inspectors, to compel the Panuco-Boston Co. and the Atlantic Oil Producing Co. to stop drilling, threatening to put the managers in jail unless they complied. The inspector in charge said that he was sending troops into the southern field, which begins 55 miles from Tampico and extends to a distance of 110 miles from that point, to stop drilling there. Nothing has been heard from that field. Letters received in New York refer to telegrams sent which have never been received, indicating that communication is uncertain.

It is known that the United States State Department protested against this action on the part of Carranza. A telegram from the Mexican foreign office dated June 30 has been received, the purport of which is that no attention will be paid to protest.

There are some 40 American companies and several individuals operating in the Panuco field, 28 miles by rail from Tampico and in the southern field. Drilling for oil is done on land leased from the Mexican owners under stipulations, in most cases, that a certain amount of work must be done in a certain

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time or the lease will be forfeited. On the other hand, they can not drill without a permit from the Government, which included a stipulation which recognizes the right of the Mexican Government to the property. That is, the oil folks lose their lease of they fail to drill and acquiesce in the confiscation of their property under the famous "Article 27" of the Carranza constitution if they do.

At the same time that the two companies were estopped from drilling by troops, Carranza soldiers raided camps of the Gulf Co. and of Penrose & Reilly.

Instructions under which the Mexican oil inspectors acted were given under the seal of the department of industry, commerce, and labor of Mexico and were signed by J. Vasquez Schiaffino, subsecretary in charge, and were addressed to the department of war and navy. Attorneys for American oil interests say that this stoppage of the use of lands for the purpose for which they were legally acquired is an overt act of confiscation, committed in defiance of protests of the American Department of State.

Since August 15, 1918, the Mexican Government has offered to grant "permits" to drill only to such companies as would, in asking for these "permits," admit that the Mexican Government was the owner of their oil deposits. Such an admission would have made the State Department's protests a joke and estopped the companies from further assertion of their rights. The associated American companies refuse to make such an admission. Hence they were denied permits. To accept as final this attempted prohibition to use their own lands would also have worked to the success of the Mexican Government's intent to confiscate the property. Such companies has leaded with time limits drilled in spite of refusal of permission. This refusal, when analyzed, is nothing more than abuse of the police power of the State for purposes of coercion.

Wells on which work was stopped had not been properly concreted, so they will cave in and all work done will be a total loss.

The following is a translation of the instructions under which the troops and the oil inspectors acted in stopping the drilling as related in the foregoing:

[Translation.]

A seal that says "Department of Industry, Commerce, and Labor, Mexico." Matter: He is advised of the accord of the C. President of the Republic to suspend the drilling works of oil wells that some companies are executing without permit from the executive power. It is requested of him that the military forces lend their aid to the petroleum inspectors with the purpose of suspending such works, and suggests to him the means and form in which the procedure must be carried out together with this department.

Inasmuch as the political constitution now in force declares that the beds and deposits of oil which are found in the subsoil of the national territory are the property of the nation; and as the said constitution denies to the foreign companies the right to obtain concessions to exploit these mineral combustibles until they organize themselves according to the Mexican laws; and, finally, as the generality of the foreign company have not been willing to subject themselves to the dispositions contained in the decrees of the executive, relative to the taxes on oil lands and leases, this (the executive power, tr.), in all justice, and meanwhile the petroleum law is issued by Congress has refused to grant permits tending to drill with the purpose of extracting oil to different companies and individuals who find themselves in the circumstances above stated.

But some oil company, disobeying the general dispositions of the Government and even more against the expressed and definite prohibition of this department, dictated as the result of an accord of the C. President of the Republic, have begun to drill wells to extract oil from the subsoil of the lands of which they are the owners and of those which they have under lease in the regions of Tepetate and Chinampa, of the cantons of Ozuluama and Vera Cruz, in the State of Vera Cruz.

In order to prevent at once such disobedience and violation of the dispositions now in force relative thereto, the C. President of the Republic has deemed fit to accord that use be made of the public force, and with that object in mind he has seen fit to dispose that this department gets in communication with that department of war and navy, as I have the honor of so doing to-day, requesting the assistance and aid of the federal forces which operate in the Huasteca Veracruzana, that the works now being unlawfully carried out may be suspended and their continuation stopped.

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With this object in view, this department begs to suggest to you the following:

First, that immediately and by telegram you kindly issue your orders to the chief of the military operations in the Huasteca Veracruzana, that he may arrange with the chiefs of inspectors of the agencies of petroleum in Tampico and Tuxpam, whose offices are located in Calle Morena No. 20, Tampico, Tamps, and Avenida Hidalgo No. 34, Tuxpam, Ver., in order that one or two petroleum inspectors, dependents of this department, shall go on the date agreed on to the regions of Tepetate and Chinampa, and those other regions where drilling of wells might be in progress without due authorization from the federal executive. The said agencies already have knowledge of the places where these works must be suspended.

Second. That the said chief of the military operations in the Huazteca issue his order to the respective chiefs of the forces that guard the Camps of Tepetate, Chinampa, Juan Casiano, Naranjos, etc., in order that the military escort that they may deem sufficient to accompany the petroleum inspectors commission for this purpose to the different places where the rebel companies are executing works related with the petroleum industry without due authorization and that they proceed to suspend immediately such works.

Third. That the said petroleum inspectors, in accordance with the instructions already given them by this department, make out a record or act of paralyzation of such works, which they will sign in company with the military chief or chiefs that accompany them and intervene in the paralyzation of the works. Of said records copies will be sent to that department as well as to this department.

Fourth. The military chiefs that assist in the paralyzation of the works being carried out without due authorization, or else those who may substitute them in the command of the forces of the different regions, will keep guard of the camps and avoid and prevent the suspended works from being renewed until this department communicates to that department of war and navy, and this, in turn, issues the corresponding orders to the military authorities intrusted with the fulfillment of this accord of the C. President of the Republic, that the works may be resumed.

Anticipating to you my thanks for the orders and dispositions which you may kindly dictate in order to carry out this accord of the C. first magistrate of the nation, it is my pleasure to reiterate to you the assurance of my attentive consideration and particular appreciation.

CONSTITUTION AND REFORMS,

MEXICO, *May 16, 1919.*

The Subsecretary in Charge of Office.

(Signed) J. VAZQUEZ SCHIAFFIANO.

To the Chief Clerk in charge of the Department of War and Navy.
Present.

INSTRUCTIONS GIVEN TO THE CHIEF OF INSPECTORS OF THE AGENCIES OF PETROLEUM IN TAMPICO AND TUXPAM.

(These are contained in Officio Number 01081, dated May 17, 1919, issued by the Department of Industry, Commerce, and Labor, and signed by J. Vazquez Schiaffino as subsecretary of this department.)

In order to make clear to you all what relates to the works which must be suspended, we wish to state that they include all those which deliberately have as their immediate object or purpose the drilling of oil wells, the installation of pumps and casings for its transportation and tanks for its storage, not comprising the works which are preparatory to the establishment of refineries, pump stations, or of storage or pipe lines for the installation of which those interested may be endeavoring to secure the respective authorization of the Government.

Finally, we recommend to you that in the records to which clause 3 of the accord of the C. President refers, there should be stated with the largest number of details possible the state or conditions in which the works were at the moment of being suspended, this for the purpose of being able to verify, in case it should become necessary, that the works were not continued after having been suspended.

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[From the National Association for the Protection of American Rights in Mexico, 347 Fifth Avenue, New York City.]

MEXICANS RAID OIL CAMP.

A telegram from Tampico, Mexico, dated July 17, 1919, was received by the National Association for the Protection of American Rights in Mexico to-day (Friday) indicating that the camp of the Atlantic Refining Co., near Port Lobos, Mexico, was raided and the semimonthly pay roll of $10,000 stolen.

The raiders are believed to have been Carranza soldiers as the same camp was entered on July 3, 1919, by Federal soldiers who, after stealing supplies, carried away with them a Ford automobile, which was later found by the roadside in a wrecked condition.

To the Editor: An interview appeared in the New York Times of this morning with Gen. Candido Aguilar, through Manuel Carpio, the chief of the Carranza propaganda service in the United States, as interpreter. Remarks attributed to Gen. Aguilar, which we beg leave to correct, may, therefore, be due to the mistranslation or overzealous propagandism.

The fact is that on May 16 of this year orders were issued by the Mexican Petroleum Commission to Mexican military authorities in Tampico and Tuxpam to accompany petroleum inspectors to stop the drilling of wells on properties of American and other foreign companies which were drilling in their own lands without "permits." The "law" provides that before permits may be issued foreign companies must make admissions tantamount to cancellation of their property rights, confessing that the Government and not they own the lands. They have refused to make such admission. The United States State Department has received a copy of this order. Acting under this order, on June 10 the general in command in the Tampico district appeared at the derrick of the Panuco-Boston Oil Co. with armed forces and forced the American drillers to leave the rig, stopping the drilling. Other American and foreign companies drilling have been notified their work will be stopped by military duress in the same way. Nevertheless, Mr. Aguilar is quoted as saying, "We have no desire to and shall not disturb the private owner so long as he works the resources," and as to the order to stop drilling by force of arms he is reported to have said, "I know that no such order was ever issued."

He says, "The only order issued has been that the Mexican law be enforced." The "Mexican law" to which he refers is a decree forbidding drilling in the lands of foreign companies unless they admit Government ownership.

Mr. Carpio reports Gen. Aguilar to have said, "We are looking toward a taxation system that will be fair and equal to all, whether they be Mexican or American." The fact is no Mexicans are producing and selling oil except locally. There are no taxes levied on local sales of oil, whereas on export of oil a tax is already levied and being paid equal to from 25 to 50 per cent of the value of the oil in the port. This tax the American companies are paying, together with all normal taxes paid by all Mexicans on industry and conduct of business, plus a bar due and plus a monthly imposition of $100,000, American currency, for "dredging" of the Tampico Harbor, which dredging was actually completed two months ago. Failure to pay the "dredging" tax results in stoppage of shipments by the delinquent company.

Gen. Aguilar is quoted as saying, "Credence is given to stories, to individual stories, which have no basis in facts." He very evidently had reference to the tragedy of the Carrell family, which happened within 20 miles of Tampico, in Carranza territory, because he always says, "The fact is that the Carranza Government is in complete control of the country." This story was given out by this association and thoroughly confirmed by our State Department. On the correctness of this actual barbaric happening he strives to cast discredit. We can not believe that an accredited officer of the Mexican Government made the misstatements attributed to Gen. Aguilar, and must believe that a misunderstanding arose in the process of the interpretation of the interview he granted.

National Association for the Protection of
American Rights in Mexico.

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[From the National Association for the Protection of American Rights in Mexico, 347 Fifth Avenue, New York City.]

MEXICAN REBELS MASSACRE PASSENGERS.

Details of one of the most horrible massacres ever perpetrated in Mexico have just been received by the National Association for the Protection of American Rights in Mexico. No word of this affair has yet reached the American press because of the vigilance of the Mexican censors.

A passenegr train of the Mexican Railway running between Mexico City and Vera Cruz was attacked at 10.25 o'clock on the morning of July 19, at a point between Huamantla and San Marcos, less than 100 miles in a direct line from the capital of the Republic. As the train approached kilometer 170 two bombs were exploded simultaneously under the train, between the car carrying the military escort and some express cars. After the explosion the rebels opened fire on the terrified passengers. The railway officials estimate the number of dead at 60 persons.

The explosion uncoupled the engine and express car from the rest of the train and the engineer ran at full speed to the next station and reported the disaster.

Among the passengers were about 20 boys from the German College at Puebla, all wearing the uniform of boy scouts. Enfuriated by the appearance of these boys in uniform, the rebels opened fire on them killing 12 and carrying the rest away to San Andres Chalchicomula.

One of the bombs exploding under the military escort car blew many of the soldiers to bits. Some of the troops escaped with the uninjured passengers to the brush, but a colonel, a lieutenant colonel, a major, and a company officer were killed while defending themselves against the rebels. These officers were traveling on private business.

The injured passengers were killed by the rebels who crushed their skulls with stones. Federal troops finally arrived and reports say almost annihilated the rebel band which numbered about 500.

The complete death list may never be known, but the railway officials say it will aggregate 60 persons.

The attack on this train caused the most intense excitement in Mexico City when it became known.

[From the National Association for the Protection of American Rights in Mexico, 347 Fifth Avenue, New York City.]

The following letter dated July 15 has been sent to Señor Ugnacio Bonillas, the Mexican ambassador at Washington, by C. H. Boynton, executive driector of the National Association for the Protection of American Rights in Mexico:

"We have read with interest your interview of yesterday as published in the New York Times of to-day.

"Your undoubted purpose to foster friendly relations between the Government and people of Mexico and the Government and people of the United States has our heartiest indorsement. We believe, however, that such relations can only be established and maintained on the basis of existing facts squarely faced and frankly recognized and that evasion or misrepresentation can only make an already bad situation worse.

"In speaking of the United States you say, 'You did not think of complying with the international obligations after the Civil War until you had pacified your country and that was 15 or 20 years.' Happily the public in the United States is aware of the facts from common knowledge. The United States has never defaulted on any international obligation at any time and it did not take 15 or 20 years to pacify the country after the surrender at Appomatox. Your error is of service since it sets a convenient standard for judging the other statements in your interview.

"The constitution of Mexico plainly declares that petroleum deposits belong to the nation. President Carranza has issued a service of decrees providing that upon the payment of rental and royalties the petroleum as national property may be extracted by Mexicans. The Government of the United States has declared that this constitutes confiscation. The controversy is nearly 18 months old and has never been so acute as now. Does it not border on cynicism for you to say that your Government is not planning confiscation of oil. Who can this deceive or how can it reinforce relations between our respective

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countries. The case of the American oil producers is clear and is of record in our State Department. No proper purpose can be served by denying known facts or misrepresenting the consistent attitude of the oil companies. The oil companies have paid and are paying excessive taxes. They have uncomplainingly submitted to and are submitting to all regulations, police and otherwise. It is gratuitous and conducive to unfriendliness for you to say, 'The oil men do not want any restrictions of law at all.' This is not true as you must know. They do not consent to having their lawfully acquired properties taken from them. This is the sole issue for the present. Accusations against the companies do not clarify it or help to solve it.

"Are the oil pay rolls being robbed between Tampico and the camp in territory which your Government claims to control? Then why should not oil companies be allowed to use aeroplanes to cross this danger zone? Why does your Government refuse such permit? We do not desire to be captious, but we submit that you can not with reason insist that 'stories about banditry which are published here are not known throughout Mexico and we logically get the conclusion that they are inventions of enemies of the Government' and at the same time plead that 'two-thirds of the revenues of the country are being devoted to that purpose' (to pacify the country) said two-thirds being virtually eqivalenut to the maximum national income of the Government in the days of President Diaz.

"It is gratifying to hear that the lives of foreigners and foreign property are to receive protection from your government and that 'they have caught a number of assailants of Americans and whenever they catch them they are given a passport to where they won't do any more damage.' We are interested to learn the details of the punishment and the names of those punished for the murder of these Americans: House, Millard, Esparola, Cooper, Stevenson, Franklin, Rose, Correll, Moye, and Morgan.

"It does not seem necessary to go into further particulars to disclose our further convictions that your interview is misleading and calculated to increase the difficulties which you state you wish to remove. We shall be glad, however, if you wish, to discuss with you the other statements in your interview. Facts are facts and can be established. We stand ready to cooperate with you to this end."

MEMORANDUM.

JULY 1, 1919.

Information on file in the offices of the National Association for the Protection of American Rights in Mexico shows that in the Tampico district, in which the Correll outrage was perpetrated, no fewer than 112 crimes of various sorts were committed between August 15, 1917, and February 5, 1919, a period of 539 days. This gives an average of an outrage against American citizens every 4.8 days in a single small district of Mexico.

The outrages include 11 murders, 3 captives held for ransom, 14 wounded and $161,953 stolen. This summary does not include beatings of Americans, nor other indignities, but only wounds with deadly weapons. It does not include Mexican employees or other nationalities; it does not include a large amount of property for which no specific value is named; it does not include burnings of oil tanks and reservoirs, nor dynamiting of bridges nor similar pleasantries.

The same gang which perpetrated the Correll outrage attacked and sacked the hamlet of Altamira earlier in the day.

The tract on which Correll was killed is the same on which Robertson, an American, was killed two years ago. Ward, another American, was attacked in the same place, but killed his assailant.

Articles read by the Corrells were press stuff given out by Carranza publicity bureaus in Washington and New York and widely published.

STATEMENT OF JOE CORRELL.

TAMPICO, TAMAULIPAS, *June, 22, 1919.*

My father, John Correll, my mother, Mary Correll, and myself, Joe Correll, came to Mexico about two months ago from our home at Ada, Okla. We had read in newspapers articles and interviews stating that conditions in Mexico were again normal, and we thought judging from these that we would be safe.

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Upon arrival here my father purchased a tractor and other agricultural implements, and we proceeded to get our land at Colonia, which is about 20 miles northwest of Tampico, in shape so as to get in a crop.

Last Monday, June 16, at about 10 o'clock in the morning, my father, mother, and myself were at our home when about 40 men came there, and searched our house, taking away all our clothing, all the food we had and also a rifle which my father had. After doing this they all left but four of the men. These four men went into the house, and tore down all the curtains, shelves, etc. They afterwards marched me around on the outside of the house punching me with their rifles, when I made a break for the brush. They fired at me as I ran, one bullet grazing the collar of my coat. They then commenced to maltreat my mother, and my father went to protect her, when they killed him, shooting him once through the head and once through the breast. They followed me to the brush, but did not find me. They robbed everything we had in the house, including bedding and silverware. I can not describe the horrible treatment my mother suffered after my father was killed.

We are Americans; my mother and myself were born at Ada, Okla.; my father in Tennessee, but I do not know the name of the place. I am 16 years of age.

As soon as we can dispose of our agricultural implements we will leave for our home at Ada, Okla.

JOE CORRELL.

The above statement made by my son is true.

MARY CORRELL.

The following letter was received by C. F. de Ganahl, president of the Southern Oil & Transport Corporation, of No. 120 Broadway, from a correspondent in Tampico, whose name can not be given without exposing him to risk of reprisal, which said among other things:

"The details connected with the raping of Mrs. Correll are revolting in the extreme. This band, who are nothing but bandits, have had their headquarters at Mesquites, about 50 kilometers up the Tamesi River, for many months, and have never been molested. About six weeks ago R. A. Bishop and William Bell, who went up there to look at some mules, were captured by these bandits and had to put up 300 pesos to get away. American ranches at Manuel and Chocoy have been raided and robbed by these people a dozen times in the last six months, and no effort has been made to capture them.

"Now, right on top of this murder of an American citizen and the brutal outrage of an American woman, there is published in the very district in which these crimes are committed an official statement by Summerline, first secretary of the American Embassy in the City of Mexico, that no attention should be taken of the resolution of Representative Gould to investigate outrages upon Americans.

"This is certainly a declaration of an open season upon Americans."

Some members of the National Association for the Protection of American Rights in Mexico propose to lay this crime, which is typical of a long list of similar affairs, before the executive committee at its meeting next Tuesday, with the request that the association make it a test case to ascertain whether or not American citizens are to receive protection from their Government.

Inquiries at Washington disclosed the fact that the Correll case had been reported to the State Department, and that the department had made representations regarding it to the local authorities at Tampico and to the Federal Government at Mexico City.

[From the National Association for the Protection of American Rights in Mexico, 347 Fifth Avenue, New York City.]

PRESSING FOR SOLUTION OF THE MEXICAN PROBLEM.

NEW YORK, *June 20, 1919.*

Recent events on the border have stimulated the activities of the National Association for the Protection of American Rights in Mexico, which is seeking an early satisfactory adjustment of our relations with that distracted country. After a meeting of the executive committee of the association, at 120 Broad-

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way, to-day, Charles H. Boynton, the executive director, gave out a statement in which he said:

"The association is just beginning an active campaign to enlist the largest possible membership in order to carry out the purpose for which it was formed, namely, to arouse, organize, and lead public sentiment which would support the Government in taking forthwith whatever steps may be necessary to secure that protection for the lives and property of American citizens in Mexico which every Government owes its citizens wherever they may be, and to compel that respect for the American flag which has been so conspicuously lacking on the part of Mexico for the greater part of 80 years.

"In this undertaking cooperation is invited, not alone from investors who have interests in Mexico and from colonists driven from thence after members of their families to the number of more than 300 were slain and all their possessions stolen or destroyed; but also from every patriotic citizen who realizes the menace to the security of the Nation presented by existing conditions in the neighboring country which first put in practice the mad theories that have destroyed Russia, and who wants to see our Government recognize and discharge its fundamental duty of protecting its citizens.

"We have just sent a field secretary into the Southwest to start a campaign for membership, and another to the Pacific coast, where there are a good many persons interested in Mexico, from the small colonist who has seen the savings of a lifetime destroyed by marauding bands to the larger industrial concerns; and we are preparing to organize other sections of the country.

"I had the pleasure of reading to the executive committee a telegram from Acting Secretary of State Polk in response to our message calling attention to the danger that Americans in Mexico might become victims of Villa's vengeance, saying that all that was practicable under the circumstances was being done to protect them.

"Private advices received by members are to the effect that revolution in southern Mexico is bursting into flame once again as the direct result of Carranza's withdrawal of troops for the campaign against Villa. Conditions are worst in the States of Vera Cruz and Puebla. Moreover, conditions in the state of Oaxaca are believed to be worse than press reports indicate, as Gen. Pablo Gonzales has postponed retirement from active military service in order to take charge of the campaign. In fact, confusion seems to become worse confounded from day to day in that unhappy country."

[From the National Association for the Protection of American Rights in Mexico, 347 Fifth Avenue, New York City. Substitute for story sent earlier.]

AMERICANS MURDERED IN MEXICO NOW TOTAL 396.

Early in July the National Association for the Protection of American Rights in Mexico made public a list of 317 American citizens murdered in Mexico since 1910, compiled from data on file in its own office, calling attention to the fact that the list was far from complete. On July 22, Henry P. Fletcher, American Ambassador to Mexico, submitted to the Committee on Rules of the House of Representatives, a list og 215 American citizens murdered in Mexico, which, he said, was hastily prepared and incomplete. This list included 74 names not included in the association's original list. In addition to this the association has received since its original list was published information of five more murders, making the grand total known to date 396. This is believed to be still far below the actual number.

Following are the five murders not included to any published list:

McCoy, Allen, sr., Ayutla, Jalisco, September, 1918. Bandits calling themselves Carranzistas. McCoy died in the United States from his wounds, after losing his mind. His wife, son, and daughter-in-law were all severely injured in the attack. Son, Allen, jr., is still an invalid.

Otto, Miguel, Sonora, June 1, 1919. Yaquis.

Pottenger, C. C., near El Paso, Tex., 1915. Bandits. A brother-in-law of Gen. Roy V. Hoffman, who commanded Oklahoma's troops in the World War.

Saule, C. M., between Conelas and La Mesa Guadalupe, Durango, 1915, by armed Mexicans.

Wright, ———, Chihuahua, by Villistas. Murdered in the presence of his wife, who was then abused by a number of the gang.

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[From the National Association for the Protection of American Rights in Mexico, 347 Fifth Avenue, New York City. Not to be published before Aug. 24.]

MEXICO HEADQUARTERS FOR GERMANY'S NEXT WORLD WAR.

NEW YORK, *August* —.

"Within six months after the United States ratifies the treaty of peace Germany will have complete economic control of Mexico. Within a very few years, if they are permitted to carry out the plans they have formulated and are now executing as rapidly as they can, the Germans will have absolute economic, political, and military control of Latin-America with headquarters in Mexico. Then they will be ready to attempt once more the realization of their dream of world conquest," said Dr. P. B. Altendorf, late of the United States Military Intelligence Department, who operated in Mexico from July, 1917, to April 1, 1919. His experiences constitute the most interesting spy story of the World War yet made public.

Dr. Altendorf is accompanied by ex-Lieut. John E. Daugherty, who had charge of the Mexican division of the Military Intelligence Department at Fort Sam Houston, near San Antonio, Tex. Through Lieut. Daugherty instructions were issued to the more than two score agents of the department operating in Mexico. It was his task to read their reports and also volunteer reports from others and collate and compile the information they contained for the use of his superiors. In civil life Lieut. Daugherty is a member of the law firm of Cobbs, Cobbs & Daugherty, of San Antonio, Tex.

Realizing that they possessed information of transcendent importance to the Nation, and that it was buried in the archives of the Military Intelligence Department whence it was not likely to be ressurected, Messrs. Altendorf and Daugherty determined, as soon as they were discharged, to make it public if they could properly do so. To determine this point they went to Washington where they took the precaution of ascertaining that they would be within their legal and ethical rights in revealing what they had learned in Mexico and that they would not embarrass the department in doing so. Having settled this to their satisfaction, Messrs. Altendorf and Daugherty came to New York to seek the assistance of the National Association for the Protection of American Rights in Mexico in making public the information Dr. Altendorf had gathered by great hardship and at the risk of his life. Before affording Dr. Altendorf any facilities the National Association for the Protection of American Rights in Mexico investigated his claims. Gen. Marlborough Churchill, the head of the Military Intelligence Department, spoke in terms of the highest praise of the zeal and trustworthiness of Dr. Altendorf and of the great value of the services he rendered.

HELD COMMISSION IN GERMAN AND MEXICAN ARMIES.

"I am, I think, qualified to speak with authority about German and Mexican activities against the United States," said Dr. Altendorf, "for I was in the confidence of Von Eckhardt, the German ambassador to Mexico, and of Carranza, each knowing that I was the trusted agent of the other. Indeed, I was appointed a captain in the German Army by direction of Von Eckhardt and a colonel in the Mexican Army with the approval of Carranza. In this dual military capacity I helped train 900 German reservists in Sonora, who were to form the nucleus of a German-Mexican army of 45,000 men which was to invade the United States simultaneously with the last great German drive in France and on the sea in July, 1918—and in my true character as an American Secret Service agent I prevented the raid from being carried out.

"It was this that made me exceedingly unpopular with Gen. Elias Policarpo Calles, Carranza's governor of Sonora, and the most rabidly pro-German of Mexican officials. Gen. Calles even went so far as to offer 20,000 pesos for me, dead or alive. I heard of this offer in good season and left Sonora in so much of a hurry that my trunks are down there yet—unless some Mexican has borrowed them. Also I have a nice new grave in the jungle near Guaymas, Sonora, which I am not yet ready to occupy. R. W. Schwiertz, a German agent, paid for digging the grave and arranged to put me in it because I checkmated his plans for a German-Mexican expedition into the United States by creating the suspicion that he was an American spy."

Dr. Altendorf explained that he was the son of a Polish banker in Cracow, Austrian-Poland, with all a Pole's hatred of Austria and Germany, and that

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he abandoned a medical course at the University of Vienna and fled the country to avoid serving in the Austrian Army, and continued:

"When the World War began I was practicing in Merida, capital of Yucatan. In 1915–16 the Germans, with the open and active assistance of Alvarado, the Carranzista governor of Yucatan, were doing their utmost to turn that part of Mexico into an outpost of Germany. I tried to get out of the country to give the Allies information I had gathered about Germans; but because I was an Austrian subject the steamers of the Ward Line, the only one calling at Progreso, would not carry me.

"After a highly dangerous journey of 300 miles in launches along the coast and of 175 miles on a push car carried by peons from break to break in what the Felistas had left of a railroad, I finally reached Mexico City in July, 1917, determined to devote my energies in thwarting the machinations of the enemies of Poland as a volunteer secret service operative."

BECOMES A GERMAN SPY.

"Arriving in Mexico City, I went to the Hotel Juarez, a prominent German house, kept by Otto Paglasch. Here I had the good fortune to meet Kurt Jahnke, head of the German secret service in Mexico, under favorable auspices, and within three days was offered a job as a German spy to operate against the United States for Jahnke. With pretended reluctance, but with secret joy, I accepted, and at once found myself in a position to render valuable service to the Allies in general and to the United States in particular. Within a few days I opened up a medium of communication with the border, through which I made my first report as a volunteer worker to the Military Intelligence Department.

"Naturally such a report was accepted with reserve until it had been very carefully checked up. Other reports which I sent through at frequent intervals were also carefully scrutinized.

"After five months' work as a volunteer an opportunity was afforded me to be regularly sworn in as a special agent of the Military Intelligence Department, in which capacity I continued for 15 months longer. Here is a partial list of my services:

"First of all, I so completely won the confidence of Kurt Jahnke, the head of the German secret service in Mexico that on one occasion I was left in charge of Jahnke's office during that person's absence for a period of 13 days. Thus I had full opportunity to learn all the secrets of German activities. I also won the entire confidence of von Eckhardt and of Carranza, and was praised by both for my supposed work against the United States."

CARRANZA AND VON ECKHARDT COOPERATED.

"I delivered into the hands of the United States military authorities the German agent Lathar Witcke, alias Pablo Wabirski, the most important individual capture of the war, so far as America is concerned. Wabirski boasted to me that he had blown up several munition plants and stores of explosives, including the Black Tom explosion in New York, resulting in the death of a number of persons, including women and children; blew up some ships; and caused disastrous fires in the forests of the Pacific Northwest. He also boasted of a number of individual murders, for all of which services he had been decorated by Germany with the Black Eagle of the second grade, with two bars. Wabirski was on his way into the United States by way of Nogales, Ariz., on another mission of murder and destruction when captured with me. On his person was found a copy of the German imperial code, and this is understood to be the first time that code came into the possession of the American Government. Wabirski was court-martialed, and from the fact that his case is before the President for review, is believed to have been sentenced to death—the only German spy to receive such a sentence in the United States.

"I also caused R. W. Schwiertz, another active German agent, to be suspected of being an American spy and forced him to flee in haste from Sonora where he was in command of the proposed German-Mexican expedition into the United States, which was to be synchronized with what the Germans hoped would be the final triumphant drive in Europe in July, 1918. I also established the fact that this ambitious scheme was financed by Von Eckhardt, and was undertaken with the cooperation of Carranza. As a German captain and a Mexican colonel I was assigned to help train the 900 German reservists who were

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to form the nucleus of this expedition, to be joined by Germans across the border and by the negroes, whom the Germans fondly hoped to incite to massacre the white population of the South, and thus prepare the way for kultur. The hasty flight of Schwiertz spoiled this scheme.

"I also betrayed 58 other German agents and thus enabled the Military Intelligence Department to keep effective watch on them, not to mention some renegade Americans who were giving aid and comfort to the enemy. Here are their names: Kurt Jahnke, head of the German secret service in Mexico; Carl Goebel, Herman Goedke, ——— Reinman, W. Bauer, Richard Auch, ——— Wentz, ——— Mayer, Jose Ribe, ——— Brockdorf, Salvador Zamaro, Otto Paglasch, Lazaro de la Garza, Lady Vinche, Max Boeder, Carlos Kettenbach, Count Grafenburg, Fred Halle, Leiber Armonos, Willy Krotsch, Manuel Tijada, ——— Walter, Francisco Durand, Max Marx, Beatrice Martinez Pena, ——— Pollis, ——— Umberle, Franz Waldner, J. Hanhausen, Conrad Staplefield, Dolores Betancourt, Ernesto Weinaug, Fred March, Otto Steyert, Otto Conrad, Luis Maria Elodia Ramirez, Anchea de Garbo, Juan Ursua, Arturo von Brandt, Pirre Fremontee Rodynko, Albert Mason (captured), ——— Mendez, (1 of 3 brothers), Edmundo Will, ——— Heimcke, Victor Minopio, Guillermo Wulff, Viuda Mandel E. K., E. Haefflich, ——— Climmons, Y. Steyert, Rafael Martinex, Gandro Gottipelli, Luiz Palarios Vda (Mendex), John von Brandt, Ludwig Rueter (captured), Carl Jacobson (captured), Mario Mendez (1 of 3 brothers), ——— Mendez (1 of 3 brothers).

"This was a German traveling under various aliases whose real name is unknown. He made six trips to Europe during the early part of the war carrying as many loads of high explosives and then went to Habana to assassinate Gerard, former American ambassador to Germny. I obtained the details of this affair afterwards and was thus instrumental in thwarting plots against other prominent Americans.

"I discovered and prevented a plan to wreck a large American copper mine at Pitiquito, near Caborca, Sonora, the structural steel to be taken to Mexico City to help in building a German munition plant. I discovered and reported that the Germans in Mexico were importing special maps of the United States to assist in schemes to wreck munition and other factories, destroy grain crops, and do other damage.

"The German plan to have Carranza confiscate the Mexican steamer *Morelos* and sell it to the Germans for supply ship for submarines was spoiled by frightening the owner into selling the steamer to an American company. I discovered two German wireless stations in Mexico which could receive but could not send messages to Germany and prevented an attempt to build a plant strong enough to send also. This information enabled the American authorities to establish plants along the border to interfere with the German stations and thus partly prevent them receiving. I reported in April the fact that German submarines were to raid the American coast in May, 1918. The submarines appeared on the day foretold by me. This was information of naval importance. I reported agents sent by Germans in Mexico to poison cattle in the United States, and foiled an expedition by four Germans to wreck hydroelectric plants at Niagara Falls by reporting them in due season.

"German mail and money was transmitted from Germany in submarines to Spain and thence to Mexico via Cuba in Spanish steamships with almost the same regularity and ease as before the war. This information was forwarded to the United States as well as a long list of renegade Americans, smugglers, I. W. W. organizers, and anarchists, and thus enabled American authorities to checkmate their criminal activities to a very large extent.

"I also confirmed a fact which helps to explain the character and extent of outrages on American citizens in Mexico. I found that the Germans were circulating the most extravagant stories, one of which was to the effect that Mexico had declared war on the United States and that therefore all Mexicans were free to destroy American property, murder Americans, and do whatever else they pleased with them. This propaganda was carried on with the active assistance of Carranza, who personally signed an order that El Democrata, the leading German organ, should be sold on all trains, and forbidding the sale of El Universal, which attempted to present news impartially."

MEXICO AN ACTIVE ENEMY.

"The first attempt to carry out an ambitious German scheme for the economic conquest and ultimate domination of Mexico was a plan originated by the German consul, Rademacher, at Guaymas, with the active aid of Gov.

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Calles, to build a cement plant with a capacity of 90,000 bags a month at Hermosillo, Sonora. The foundations were completed and materials for the superstructure were on the ground in July, 1917, and the machinery was on the way from the United States when I reported the scheme in time to stop it and the factory had to be abandoned until after the peace treaty had been signed. This factory was to furnish the cement for rebuilding piers and other structures and building new ones along the west coast. This was to be an evidence of good faith on the part of the Germans which would demonstrate their capacity to build up the country. One of the considerations they expected to get was a coaling station at Acapulco, not far from the Panama Canal.

"The American people ought to know that Mexico was not a neutral during the war, but an enemy, active to the extent of its limited capacity. Whenever a soldier of Germany or an allied nation set foot on the soil of Holland, which really was neutral, he was interned for the duration of the war. Mexico gave no fewer than 80 German officers commissions in the Mexican army and assigned them to train troops for service against the United States. German uniforms were worn so commonly in Mexico that even the local Mexican papers complained about it. Moreover, by Carranza's direct orders Mexican telegraph wires were thrown open to German code messages. I personally carried instructions from Carranza to Gov. Calles to permit the spy Witcke, alias Wabirski, to send code messages freely. I am not versed in international law; but if this was not an act of war, it seems to me it must have been something akin to it.

"If it will make the fact of Mexico's enmity any stronger I should like to add that high Mexican officials were on the pay roll of the German Embassy. For example, Mario Mendex, director of telegraphs, received a salary of $600 a month from von Eckhardt. His brother, a senator with influence, received the same salary. A third brother who had a position in the post office also received $600 a month for opening and reading private letters and passing the information along to the Germans.

"Late in November, 1917, I personally carried a request from Gov. Calles, of Sonora, to Rademacher, the German consul at Guaymas, for $150,000, saw the money put in a bag and carried the bag, accompanied by Rademacher, to Calles.

"I was able to discover that von Eckhardt had guaranteed to Carranza an abundance of capital to turn Mexico into an industrial country. In fact, von Eckhardt went to Germany last April for the express purpose of financing German corporations and perfecting other arrangements for building great chemical plants, textile factories, tanneries, and all the other industries necessary to make Mexico independent of the United States and Europe.

"As soon as the treaty is ratified there will be a hegira of a quarter of a million Germans from the United States who will take with them to Mexico $400,000,000 capital. There are already 150,000 Germans in Mexico and German immigration on a large scale will soon turn the country into a German colony."

GERMANS PROMISED MONEY.

"The activity of Carranza in driving Americans out and confiscating their property is explained by the fact that Germans with plenty of money stand ready to pick up the property at bargain rates.

"Carranza's plans for acquiring American property do not always go through without friction. In June of this year he sent two emissaries, Arturo Rivas and one Toledo, to Pelaez, the so-called bandit who dominates the Tampico oil fields, with a letter offering Pelaez $200,000 in cash and the position of governor of the State of Tamaulipas if he would hand over the oil properties there so he could sell them to Germans. Pelaez refused to see the envoys and so the deal had to be declared off, much to Carranza's disgust. I have this information from Rivas, who still believed me to be a German agent.

"The full significance of all this becomes apparent when I tell you, further, that part of the German scheme provides for great munition plants at Mexico City, which will make it unnecessary for Mexico to import war materials in future. The treaty of peace restricts the manufacture of munitions of war in Germany, but it doesn't say anything about Germans manufacturing as large quantities as they please in Mexico. Thus there is no practical difficulty in the way of Germany's plans for the next war.

"For one thing, there will be no lank of submarine bases and other conveniences. Chile is already practically a German colony and Argentina is rapidly

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becoming one. German agents are active everywhere in Latin America, and the newspapers have told us there is to be extensive German emigration to that part of the world in the near future. The result of the war did not end the German dream of world conquest; it merely delayed it."

[National Association for the Protection of American Rights in Mexico, 347 Fifth Avenue, New York City. Not to be published before Aug. 31.]

RUIN OF MEXICO IS NOW COMPLETE.

NEW YORK, *August 30.*

"Mexico has ceased to exist as a nation, political disintegration is complete, economic decay and social degeneracy are far advanced, and many of the people have succumbed to starvation and disease," said Dr. Paul Bernado Altendorf, who has lived in Mexico since 1914, and who operated there as an agent of the Military Intelligence Department of the United States for 20 months. He is telling some of the things he learned in that stricken land in a series of interviews arranged at his request by the National Association for the Protection of American Rights in Mexico, in the hope that he may arouse the American people to a realization of the increasing peril south of the Rio Grande.

"Since 1914 I have been in 22 of the 27 States constituting the former Mexican Republic, and in most of them in the last two years, traveling almost continuously on foot, on mule back, in boats, and on the few trains that are still running," continued Dr. Altendorf. "I traveled as a German; for no one but a German is safe in Mexico.

"Speaking from the fullness of first-hand knowledge thus acquired, it seems to me a joke to call Carranza's administration a 'government.' No real government exists south of the Rio Grande, except such authority as a thug with a gun exercises over an unarmed victim. Mexico is nothing more than an agglomeration of anarchist gangs who kill and plunder with no restraint but their own caprices.

"The so-called 'rebels' are no more nor less than banditti. To discriminate between Carranzistas and other banditti is to make a distinction without a difference. All alike live by plunder.

"Of these rebels or banditti there are 100,000 men operating in gangs of 40 to 4,000 under 37 known leaders of importance, who hunt in definite territories. In addition there is an unknown number of smaller fry who operate independently at times and again seek allegiance to some larger gang when they need protection.

"Included in this 100,000 banditti are about 58,000 men who part of the time claim to be Carranzistas and who do actually serve under his banner when expedient.

"But that is not all the story. Carranza's actual, dependable military strength is 67,000 men. These men are banditti like all other Mexicans who own a gun. They kill and rob just the same as any so-called 'rebel.' In fact, that is the way most of them get their supplies and their pay. That is also the way they make their officers rich; and in this connection it is well to remember that the Mexican Army has a higher ratio of generals and colonels and majors than any other military organization on earth. Nearly all the robberies of paymasters, so frequent in the oil region, are committed by Carranzistas."

PREYING ON THE FOREIGNERS.

"The point is that there are 167,000 armed men preying indiscriminately upon natives and foreigners in Mexico. The men at the top get the largest share of the swag; make no mistake about that. Carranza is reputed to have $15,000,000 on deposit in Chilean banks. His son-in-law, Gen. Aguilar, has suddenly become worth $4,000,000. Villa has cleaned up about $18,000,000, part of which he has used to finance his raids and to buy such luxuries as three-thousand-dollar bath tubs and other things of that sort that a bandit king needs to maintain his prestige. The rest is on deposit in banks in El Paso, St. Louis, New York, and elsewhere, but none of it in his own name.

"Gen. Pablo Gonzales, a Carranza general and presidential candidate, who was a railroad conductor prior to 1914, now a candidate for the presidency,

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is reputed to be worth $6,000,000. He owns extensive properties in San Antonio, held under various names. Gen. Enriquez, civil governor of Chihuahua, formerly a common laborer, is now worth $500,000. Gen. Carasca, in command at Mazatlan, a few years ago a porter earning $1.50 a week, is worth $500,000 now. Gen. Iturbide, a poor clerk a few years ago, is now well-to-do.

"Gen. Calles, former governor of Sonora, now in command of the troops there and consequently the real ruler, saved more than a million dollars in two years out of a Government salary. His son, 21 years old, is already a colonel. Gen. Manzo, recently a basket peddler, is now worth several hundred thousand dollars. Gen. Francisco Murguia, formerly a poor farmer (a former dictator of Chihuahua) is worth $1,500,000. Alvarado, who cleaned out Yucatan, is a millionaire.

"The minor bands pick up whatever they can, hesitating at no atrocity. Men have been murdered for an old straw hat in Mexico. In Acaponeta, Territory of Tepic, in April, 1918, I saw the body of a poor man who had been murdered for his new straw hat, costing $1.25. The two Carranzistas who shot him openly boasted that the sole object of the crime was to get the straw hat. They were not even arrested. A man suspected of having a revolver is already condemned to death; for a revolver is all that is needed to set a Mexican up in the bandit business; while a revolver and a good Stetson hat together constitute him a general."

TORTURE USED TO EXTORT MONEY.

"Torture is often resorted to, sometimes to extort money, and sometimes out of pure fiendishness. In this connection I should like to mention that a large porportion of Mexicans, officers as well as men, are dope fiends. They smoke mariguana, which is made from the loco weed familiar to cattle men in the Southwest, which has an effect like hasheesh. They will not go into battle without a dose of mariguna, which imparts a sort of false courage. In fact, the marching song of the Carranzistas is The Tumblebug, a free translation of the first of the hundred verses of which one is as follows:

"'I can not march longer
Because there is lacking
Mariguana to smoke.'

"The results of bandit rule are appalling. Mexico is sunk to the uttermost depths of degradation and misery. The greater number of the stores in Mexico under the Diax régime have been looted bare and now stand empty and deserted, with windows broken and the buildings more or less wrecked. The same thing applies to factories. Such industries as Mexico once had are now irreparably damaged. Many manufacturing plants have been destroyed; many others are not operated because Carranza or some other chieftain would seize the product. One copper mine, representing an investment of $1,500,000, near Chihauhau City was wantonly destroyed the present year. This happens to be one of many instances of destruction that came under my personal observation.

"Even the plants which might be operated so far as other obstacles are concerned can not obtain labor. The peons would rather join Carranza's army or some other bandit gang and take chances on getting a share of the loot than to earn a living by honest work. Even the farmers do not put in more than enough crops to afford their families a bare existence because of the certainty that the whole would be confiscated."

MANY DYING OF STARVATION.

"As a direct consequence of this almost complete stoppage of useful labor the annual death rate from starvation or from diseases due to malnutrition is 100,000. I myself saw in 14 months of 1917–18 no fewer than 5,000 persons dead or dying from starvation or from diseases they were too weak from lack of food to resist. On one occasion while journeying in the State of Vera Cruz I was called into a hovel in which three elderly persons were dying of starvation. Next door seven children lay on the floor too weak to move, also dying of starvation. In Tepic, especially, people are dying like flies from starvation.

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"Disease rages unchecked. Doctors are few and far between. Drugs are almost unobtainable, and the people have no money to buy them if they were to be had. Paludismo claims its victims by thousands. So, also, does tuberculosis. Typhus and typhoid fever are very prevalent.

"To say that the country from end to end is filthy fails to convey an adequate idea of its condition. Sanitary conveniences are primitive in the larger places. In the smaller towns and villages there are not even outhouses. The streets are used instead, and the streets are never cleaned. So far as that is concerned the streets of the capital itself are rarely cleaned, and some of them never are. The pavements in 1918 were broken up and in ruins.

"In this welter of filth many people live the year around. They never sleep under a roof, but lie in heaps in doorways in such rags as they wear during the day. Victims of the most loathsome diseases squat along the streets to peddle articles of food and trifles. Beggars swarm everywhere, clutching at the clothing of passers-by and begging for the love of the Holy Mary for a cent to save them from starvation. Gaunt women, almost naked, enter the restaurants to beg for bones from the plates of customers. Children, too, the smaller ones totally naked, the larger ones wearing a few rags, also roam through dining rooms foraging for scraps.

"All are indescribably filthy, for the lower-class Mexican never bathes, nor even washes his hands. All are simply alive with vermin. In street cars you will see vermin crawling. You can not ride in car or cab without getting vermin on you. You must pick them off the bed before retiring. No wonder typhus is rampant. I was stricken with the disease nine days after arriving in Mexico City."

EVERYTHING IS IN RUINS.

"Many churches are in ruins; the priests have been killed or expelled; the nuns—heaven only knows what their fate has been. Valuable paintings stolen from the churches have been offered in little shops for a trifle. Many of the churches were turned into barracks or into stables and defiled in such other ways as depraved ingenuity suggested. In Merida, the capital of Yucatan, Alvarado gave orders even to break the bells. Nothing is left of venerable cathedrals but the walls and these have been punched full of holes. The entrances have been turned into public latrines. In Sonora Gov. Calles would not allow a child to be baptized. He lost no opportunity to show his hatred of all religion. He offered to rent a church to be used as a market in Hermosillo for 50 pesos a day.

"The railroads are in utter ruin. There is only one line upon which sleeping-car service is maintained regularly and these cars are generally reserved for the use of army officers between Mexico City and Monterey. All upholstering has been torn off the seats of day coaches and the wooden hulks swarm with vermin. One must often wait for days to board a train, and when at last the train appears it takes a whole day or more to cover a distance that should be run in a few hours.

"Judging from what has been published about Russia, conditions can hardly be worse there, if, indeed, they are as bad, as in Mexico. And it must not be forgotten that Carranza is the original bolshevist, or perhaps he may have gotten the idea from William Bayard Hale and Lincoln Steffens and their German friends. At least, they had long conferences with him at the outset of Carranza's public career, and they were all very thick. Hale was Carranza's particular friend; and it will be remembered that Hale went into Germany directly after his last conference with that gentleman.

"In Mexico, as in Russia, the sinister hand of Germany is found to be pulling the strings. Trotski and Hale were both very particular friends of Kurt Jahnke, head of the German secret service in Mexico, and of von Eckhardt, the German ambassador to Mexico. Hale proposed to see Trotski in Switzerland when the latter had been sent abroad by von Bernstorff. In fact, there is a great deal of circumstantial evidence to show that Germany first instigated bolshevism in Mexico to ruin the country so all that was of value could be bought in at nominal prices and the way thus paved for the establishment of kultur; and, finding the plan worked beyond the expectations, transplanted the devilish virus to Russia."

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[National Association for the Protection of American Rights in Mexico, 347 Fifth Avenue, New York City.]

Not to be published before September 7.

BORDER SMUGGLING TOTALS $20,000,000 YEARLY.

NEW YORK, *September 6.*

A certain Mexican gentleman residing in San Antonio, Tex., one of the numerous agents of Villa, the bandit, will learn from these lines that the $30,000 worth of ammunition which he hoped to secure from Dr. P. Amagany and smuggle across the border to his chief is not likely to be secured. The fact is that "Dr. P. Amagany" was none other than Dr. P. B. Altendorf, who was in the service of the United States Military Intelligence Department, and who was spoofing the Mexican gentleman as a means of obtaining information about smuggling. Dr. Altendorf told the story, with many additional facts about a certain form of activity which is enriching many enterprising citizens of the United States and Mexico, to newspaper men at the offices of the National Association for the Protection of American Rights in Mexico to-day.

"No one outside of the Government departments whose duty it is to deal with border conditions can have any idea of the extent of smuggling going on between the United States and Mexico," said Dr. Altendorf. "Obviously it is impossible to give exact figures; but according to the best available information it must amount from $17,000,000 to $20,000,000 a year. Of this amount the value of goods smuggled into Mexico from the United States is estimated at $12,000,000 to $14,000,000, of which from $4,000,000 to $6,000,000 represents arms and ammunition going to Carranza, Villa, other bandits, and the Yaqui Indians.

"Villa, in common with other so-called revolutionsts, gets about 60 per cent of his arms and ammunition by smuggling from the United States; the other 40 per cent he purchases from the Carranzistas. I know it seems incredible that the troops of any Government should sell arms and ammunition to the rebels with which they are supposed to be at war; but this practice is so common and so well known throughout Mexico that it no longer excites comment. Occasionally the Mexican papers contain a brief announcement that a few officers have been arrested for this offense, but I never heard of one being punished for it."

VILLA SMUGGLES 60 PER CENT OF WAR MUNITIONS.

"But the point of interest in this connection is that Villa smuggles only 60 per cent of his munitions of war—I mean, of banditry. If that part of his supplies were cut off he would be forced out of business; for he could hardly keep going on the 40 per cent he buys from Carranzistas. Doesn't it look as if responsibility for Villa's deviltries came pretty close home to the American manufacturers and dealers who supply the 60 per cent? And as the Carranzistas are worse, if that be possible, than the Villistas, and as they, in common with other banditti down there, must now also depend entirely upon smuggling for their supplies, doesn't the whole Mexican situation create a somewhat embarrassing question of ethics for these same manufacturers and dealers?

"As for the Government's responsibility, it is undoubtedly true that to maintain an effective patrol along 1,800 miles of frontier would be a most difficult matter; but analogous service has been performed in Europe in certain specific instances which could be mentioned. It is also true that the smugglers are up to an infinite variety of tricks, and also that the law contains little loopholes through which contraband may trickle. These difficulties might also be overcome.

"Some interesting details about smuggling came to my attention. For instance, there is a renegade American who was an agent of Mexican Consul Garza, at Brownsville, Tex., and also the confidential agent of Carranza, who was also at one time the confidential agent of von Eckhardt, the German Ambassador to Mexico. In the latter capacity he bought $36,000 worth of nickel on August 22, 1917, to prevent it from getting into the hands of Americans. On December 14, 1918, this man was in Brownsville bidding against Col. Chapa, a revolutionist, for a lot of ammunition and rifles worth about $4,000.

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"The same individual was responsible for the Carrizal massacre on June 21, 1916, in which 2 American officers and 13 troops were killed and 23 wounded. The Carranzistas were short of ammunition at that time and could not have made the attack if this American had not purchased and shipped into Mexico $165,000 worth of ammunition. He is a particularly dangerous man, because, being in the Mexican consular service, he is allowed to come and go as he pleases.

"The Yaqui Indians purchase in the United States and smuggle across the border ammunition to the value of $80,000 to $100,000 a year. They are allowed to buy only 100 rounds at a time; but there is no limit to the number of times an individual may buy a hundred rounds. All the large general stores along the border carry heavy stocks of arms and ammunition, so it is a very simple matter to pick up a supply, if one has a little patience. The Yaquis are well armed with the latest type Winchesters, and always have plenty of ammunition. In 1918 11 Yaquis were caught smuggling ammunition. They were given brief jail terms; but usually nothing happens.

"Carranza has one agent in Brownsville, Tex., who sent 390,000 rounds of ammunition to his employer at one time. Villa must be rather hard pressed just now; for in March of the present year his wife pawned her jewelry in San Antonio for $4,800 and used the proceeds to pick up a bargain in ammunition. I am afraid I may have caused Mr. Villa some embarrassment in obtaining supplies of ammunition, for I reported a good many schemes of his to the proper authorities. One particular report, made in November, 1918, concerned Villa's plan to smuggle $500,000 in silver bullion across the border near Candelaria, Tex., about December 11, and deliver it to an American agent to pay for a consignment of ammunition. A watch was set, and Villa did not succeed in getting the bullion across until late in January, 1919."

AMMUNITION IN WATERMELONS.

"There is a big drug store in Brownsville which receives shipments of ammunition in boxes marked 'drugs.' One dodge resorted to sometimes is to conceal ammunition in watermelons to get it past the customs authorities. Usually it doesn't seem worth while to take so much trouble; for there are such long stretches of unguarded territory that nothing much but laziness need drive a smuggler to take risks.

"Munitions of war are not the only articles smuggled south. For one thing a good many stolen automobiles reach Mexico without paying customs dues. One can pick up a car worth $2,000 on the Mexican side of the border for about $600. Maria Hass, a notorious German female spy, and her accomplice, Maria Wilkinson, in May, 1918, took between $8,000 and $9,000 worth of dutiable goods across the Mexican border without paying a cent of dues and delivered them to blacklisted German firms in Mexico. In January, 1918, she smuggled more than $4,000 worth of dutiable goods across the border.

"A Mexican who runs a little store in Caborca, Sonora, smuggles an average of $20,000 a month across the border. He uses a 4-ton truck, crossing the line in the vicinity of Nogales, Ariz., apparently at will. He has been reported many times but seems to be immune. Fernandez's truck generally carries loads both ways, for the smuggling is by no means confined to south-bound traffic. As already indicated the value of goods smuggled from Mexico into the United States is estimated at six to eight million dollars. This formerly included about one hundred thousand head of cattle, which are sold to receivers of stolen goods on this side for about $8 a head. Mexican cattle are of very inferior quality, but their market value is about $35 a head; so there is a handsome profit in it for the patriots who are engaged in receiving stolen goods. Now, however, Mexico is stripped pretty clean of cattle. For that matter, Mexico has been looted bare of everything portable.

"To illustrate, there was the case of a Mexican lawyer whose library in Mexico City, valued at $50,000, was stolen. As it included a historical paper of great value he obtained a search warrant and exmined several warehouses on this side of the border, all of which were filled with stolen goods from Mexico. The plunder included such things as hundreds of thousands of telegraph blanks and blank tax receipts, taken because the ignorant thieves did not know their value. But the plunder also included great numbers of typewriters, sewing machines, and about everything else used in the household or in business."

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QUANTITIES OF OPIUM SMUGGLED.

"Great quantities of opium are smuggled across the border. It comes to west coast ports of Mexico in Japanese vessels, is brought up the coast in small Mexican sailing craft and thence finds its way across the border. I reported one Mexican opium smuggler, who was caught outside Nogales with 4,500 pounds of the stuff in an automobile truck. Morphine and cocaine are also smuggled extensively. The Germans paid special attention to smuggling drugs into Kelly Field, the aviation field near San Antonio during the war, the idea being to break down the American flying force; but it didn't work. But there is big money in opium smuggling, anyway. Silks came by the same route from China and Japan.

"There is also a big bootlegging trade across the border. Tequilla, which is distilled from pulque, brings $8 a quart and is smuggled with comparative ease.

"Yet another class of goods smuggled into the United States is jewelry looted from the homes of wealthy Mexicans or foreigners living in Mexico, in many cases theft being preceded by murder. In not a few instances the jewelry is received as ransom for kidnaped persons. All of it seems to reach American soil. San Antonio is full of pawnshops, and the pawnshops seem to be full of this jewelry. Mexicans peddle valuable jewelry in the barber shops or at railroad stations or even in the streets.

"From all this you can readily see that there is a certain small element along the border which is opposed to any disturbance of our present relations with Mexico. Conditions along the border are disgraceful and should be rectified. I feel sure they will be as soon as they are really understood. Government representatives, with rare exceptions, are doing their best under the circumstances, but they need help from higher up, and this is not forthcoming, apparently, because Washington has been too much occupied with other matters to give this matter attention."

WATRISS APPENDIX B.

WATER CONCESSION OF COMPANIAN CONSTRUCTORA RICHARDSON, S. A., OF SONORA, MEXICO.

W. E. Richardson, president and general manager; H. A. Sibbet, vice president and manager; H. E. Green, chief engineer; W. Sidney Smith, superintendent of irrigation.

Published in Diario Official, December 28, 1911.

(Spanish and English.)

Department of interior development, colonization and industry of the United States of Mexico—Section 5.

The citizen President of the Republic has been pleased to make the following decree:

"Francisco I. Madero, constitutional President of the United States of Mexico, to the inhabitants thereof, greetings:

"That the Congress of the union has been pleased to decree the following:

"The Congress of the United States of Mexico decrees:

"Sole Article: The contract executed on the 21st of August, 1911, between the citizen, Attorney Rafael L. Hernandez, secretary of state and of the department of interior development, colonization and industry, as representative of the executive of the union, and Mr. Alberto Stein, as representative of the Compania Constructora Richardson, S. A., amending the contract of the 13th of May, 1911, for the use of the water of the Yaqui River, State of Sonora, for irrigation and power purposes, is approved in all its parts.

"S. Garcia Cuellar, congressman president; Jose Zubieta, senator vice president; Alonzo Mariscal y Pina, congressman secretary; Carlos Castillo, senator secretary.

"And so I order that it shall be printed, published, and circulated and that due compliance be given to it.

"Issued in the palace of the executive power of the union, in Mexico, on the 19th day of the month of December, 1911.

FRANCISCO I. MADERO.

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"To the citizen, Attorney Rafael L. Hernandez, secretary of State and of the department of interior development, colonization, and industry, city."

And I inform you of it for your knowledge and its legal effect.

Mexico, December 26, 1911.

R. L. HERNANDEZ.

To ——— ———,

——— ———.

The contract referred to by the foregoing decree is as follows:

[Stamps to the value of $37,540 (37,540 pesos) canceled, $16,520 (16,520 pesos) on the contract of the 16th of February, 1909, and $21,020 (21,020 pesos) on the present one, which takes the place of the other.]

CONTRACT.

Executed between C. Lic Rafael L. Hernandez, secretary of State and of the department of interior development, colonization, and industry, in representation of the executive of the union, and Mr. Alberto Stein, representing the Compania Constructora Richardson, S. A., for the utilization of the waters of the Yaqui River, in the State of Sonora, for purposes of irrigation and motive power.

ARTICLE 1. Without prejudice, to any third party, who may have a better right, the Compania Constructora Richardson, S. A., organized under the laws of the Mexican Republic, is granted up to 3,942,000,000 cubic meters per annum, as a maximum, of the waters of the Yaqui River, in the State of Sonora: *Provided*, That such volume does not exceed 65 per cent of the average annual flow of the waters of that river.

ART. 2. The average annual flow of the Yaqui River will be considered that average which results from the measurements which, during a period of five years, will be taken by a commission appointed for that purpose by the department of fomento, and which commission will establish the measuring stations which may be necessary to keep a constant record of observations during such period, which period will date, at latest, from one year after the promulgation of the present contract.

ART. 3. The volume of water granted shall be dedicated principally to the irrigation of the lands situated on both sides of the Yaqui River, whether belonging to the company or to other owners, and also to the development of motive power. The company will be authorized to take, through the canals which it may construct, the flow of water per second which it may require at the different seasons of the year, for the irrigation of land and the development of motive power.

ART. 4. The company will be bound to supply water for irrigation to the owners of the lands which lie under the canals that, under the authorization of this concession, may be constructed by the company, but without prejudice to the latter, making use of its right to use the waters conceded for the irrigation of its own land. The department of fomento will decide, in view of the plans, the portions of land to which this obligation refers.

ART. 5. The company will be bound to construct the following works:

A. One or more dams which may be situated in that section of the Yaqui River comprised between the point called Soyopa and the confluence of the Babispe River; and along the course of the Babispe River between the confluence above mentioned and on the confluence of the Fronteras River on the same Babispe River.

B. A diversion dam at that point on the Yaqui River which is called Los Limones.

C. Two irrigation canals that will start from the dam at Los Limones and run, one along the left side of the river and the other along the right side. The first will connect at a point called Los Hornos with the canal which now belongs to the company and serves for the irrigation of the lands situated on the left side of the Yaqui River. The second will serve to irrigate the largest area of land that can be brought under irrigation on the right side of the same river.

D. The system of secondary canals and other works intended for the conduction, distribution, and utilization of the waters for the lands belonging to the company which are susceptible of irrigation.

E. The works necessary for the formation of one or more falls, in order to utilize the stored waters in the development of electrical energy, which

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will be applied to industrial purposes in general, and especially to the working of pumps which will complete the system of irrigation.

F. The electric transmission lines and plants which may be necessary for utilization of that energy.

ART. 6. The company shall be especially bound to respect the present actual utilization of the waters of the Yaqui River, which is being made by the riverine proprietors below the different storage dams that the company may construct.

ART. 7. In order to investigate the existing rights and utilizations, as well as the volume of these utilizations and the form and other circumstances for carrying them out, the department of fomento will appoint a commission to make a study of the river as well as the existing canals and irrigation works, and which will also proceed to make the above-mentioned investigations. Said commission will complete its labors within the maximum term of one year from the date of the publication of this contract, which term is considered sufficient for the completion of the work. Nevertheless, if by reason of superior force, the commission can not commence or complete its labors within the period specified, said period will be extended as long as may be necessary to compensate the time lost.

ART. 8. As soon as that commission reports, the department of fomento will decide on the volumes of water which may be indispensable required to cover the present utilizations, as well as the periods, duration, form, and other circumstances under which such rights of utilization are to be satisfied, and the company will be bound to carry out the rulings which may be issued by the department of fomento regarding these points.

ART. 9. The company must construct its hydraulic works under the condiitons which may be approved by the department of fomento in such a way as to allow the passage freely in the river in the different seasons of the year of the volume of water which may be necessary to supply the amount now actually utilized by the different riverine landholders in these different seasons.

ART. 10. Should the department of fomento consider it more desirable, the company shall supply, through its canals, the volumes of water which may be specified in accordance with the above stipulations, for the use of the riverine landholders who now possess water rights; but under the conditions that such riverine landholders shall submit to the regulations of the company approved by the department of fomento, and to the reduced tariffs which the department may specify in each case, and even free of charge if the said department considered it due to them. The company will in no case be bound to allow the passage of, or to furnish free of charge or at reduced rates, any volume of water greater than that at present actually consumed by the riverine landholders.

ART. 11. Should the company duly prove to the department of fomento that it has the consent of the present users for the execution of its works, and to purchase water from itself, it will be under no obligation to supply water free of charge or at reduced rates, to which the said users now have a right, nor to allow the volume of water before mentioned to pass to the river.

ART. 12. The company will be bound to assist the commissions mentioned in articles 2 and 7 in their labors by furnishing, at its own expense, engineers who will cooperate with the same, as well as the means to facilitate their operation and work, and it will also place at the disposal of the commissions referred to in article 2 the present measuring station which the company has established, with all the installations which go with it.

ART. 13. The company will be bound to furnish free of charge the water which may be required for the domestic use of the inhabitants of the towns now existing in the section in which the irrigation is to be developed, authorizing this use only by manual means and solely from the canals which belong to the company.

ART. 14. Meanwhile the company does not construct any of the storage dams referred to in Clause A of article 5, it will be allowed to charge for the use of the water intended for irrigation the prices authorized under the tariff which was approved by the department of fomento under date of the 22d of April, 1909, in accordance with the concession granted to the said company on the 16th of February of the same year. As soon as the company constructs storage dams and is in a position to supply water for irrigation at all seasons of the year, it is authorized to increase its tariffs and to charge the landholders in general up to 1 peso and 50 cents per thousand cubic meters of water, and up to 1 peso for

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the same volume, to the proprietors of lands irrigated by the water of the Porfirio Diaz canal.

ART. 15. For the purpose of this contract, the company will be subject to the following periods, all dating from the day of its publication:

I. Six months to commence the construction of the canals, diversion gates, and other works proposed for the irrigation of the lands situated on the left side of the Yaqui River, the plans of which have already been approved by the department of fomento, in accordance with the concession of the 16th day of February, 1909.

II. Eighteen months within which to present the plans for storage and diversion dams.

III. Twenty-four months within which to commence the construction of dams.

IV. Four years within which to present the plans for the works intended for the generation of electric energy.

V. Four years within which to present the plans for the irrigation works for the lands on the right side.

VI. Five years within which to commence the construction of the works for the development of electric energy.

VII. Five years within which to commence the construction of the irrigation works for the lands on the right side of the river.

VIII. Six years and six months for the completion of all the works, with the exception of those specified in clause D of article 5, which works will be constructed as fast as the land is subdivided and sold.

ART. 16. The obligations assumed by the concessionaire company with respect to the periods specified in this contract will be suspended in all cases of unforeseen accident or superior force which are duly proven. Such suspension will only last as long as the duration of the impediment which gave rise to it, and the concessionaire company shall present to the department of fomento the notices and proofs of the occurrence of the unforeseen accident or superior force of such character within the term of three months after it has arisen, and the mere fact of its not presenting such notices and proofs within that term will preclude the company from ever pleading the circumstance of unforeseen accident or superior force.

The concessionaire company must likewise present to the department of fomento the notices and proofs of the resumption of work as soon as the impediment has ceased, and such notices and proofs must be presented within two months following the resumption of work.

ART. 17. The strip of land which the company may occupy shall have a width of 70 meters for the main canals and of 5 meters for the telegraph, telephone, and electric transmission lines.

ART. 18. The company binds itself to prove to the department of fomento within a period of 18 months from the date of publication of this contract that it can rely on a sum of not less than 1,000,000 pesos with which to commence the construction of the dams referred to under Section III of article 15. Within the 18 months following it must prove that it possesses not less than 4,000,000 pesos with which to continue the irrigation works.

ART. 19. The company binds itself to subdivide and sell within a period of 15 years, to date from the date on which the period of 6 years and 6 months referred to in Clause VIII of article 15 expires, all the lands which are its property and which are susceptible of irrigation; that is, an area of not less than 150,000 hectares, subdividing and selling at least 10,000 hectares per annum. For the purposes of this clause the subdivisions and sales which may have been made under the proper conditions before the date on which the above-specified period will commence to run shall be counted.

ART. 20. The lots which are sold shall have a maximum area of 400 hectares, and the company shall not sell to any single person more than 2,000 hectares.

ART. 21. The company shall report to this Department, with all possible promptitude, all the sales which it may make and those which exceed 2,000 hectares, contrary to the provisions of the preceding clause, will be null and void.

ART. 22. The company is granted the use of the waters for purposes of irrigation for an indefinite period provided it subdivides the lands which it owns. Should the company not comply with the conditions stipulated relative to such subdivision, it will forfeit the right to use the water in the same proportion in which it fails to comply with the stipulations relative to that point. The use of the water for the development of motive power shall last for 99 years.

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ART. 23. The company shall not supply water for the irrigation of private lands of a greater area than 2,000 hectares, unless such lands are subdivided, and always provided that the owners of said lands bind themselves to sell said lands in accordance with the stipulations of this contract.

ART. 24. The company shall have power to mortgage the lands which it owns in any area whatsoever, independently of the concession; but without prejudice to the forfeiture of the concession if the company does not comply with the obligations specified in article 27.

In order to encumber or hypothecate the concession, the concessionaire will submit to the provisions of Section VII of article 19 of the water law of the 13th of December, 1910.

ART. 25. The company shall only have power to transfer the present concession or any part thereof to individuals, Mexican firms or corporations which are organized under the laws of the Republic and with the previous permission of the department of fomento.

ART. 26. The company shall have no power to assign, hypothecate or encumber this concession, or the works constructed or to be constructed under this contract, to any foreign Government or State, or to admit the same as a partner, and therefore any covenant made to that effect will be null and void.

ART. 27. This contract shall be forfeited for any of the reasons specified in article 20 of the law of the 13th of December, 1910; and also for noncompliance with any of the stipulations of articles 4, 5, 6, 8, 9, 10, 12, 13, 15, 18, 19, 20, 21, 23, 24, 25, and 26.

Before making the declaration of forfeiture, the department of fomento will grant the company a period which may be considered desirable within which to make its defense, but not to exceed 60 days. The forfeiture shall only take effect as regards that part of the concession which has not been complied with.

ART. 28. This contract takes the place of the one dated the 16th of February, 1909, which was executed with the same Compania Constructora Richardson, S. A., and for that reason its fulfillment is secured by the deposit of 10,000 pesos in 3 per cent bonds of consolidated internal debt, which the company made in the Banco. Nacional de Mexico, in guarantee of the fulfillment of said contract, of 1909.

ART. 29. The company shall keep a representative in this city who shall be fully authorized and with whom the Government can deal in anything connected with this contract.

ART. 30. In all matters not expressly provided for under this concession, the provisions of the law of the 13th of December, 1910, and its regulations shall apply, and the company will enjoy all the rights and privileges which the Government is authorized to grant in accordance with said provisions.

ART. 31. The company will pay for the stamps required for this contract.

ART. 32. This contract will be submitted to Congress for approval.

Mexico City, August 18, 1911.

R. L. HERNANDEZ.
ALBETO STEIN.

This is a certified copy.
Mexico City, December 22, 1911.

THEO. M. E. MARTINEZ BACA.

WATER REGULATIONS OF COMPANIA CONSTRUCTORA RICHARDSON, S. A., OF CONORA, MEXICO.

[W. E. Richardson, president and general manager; H. A. Sibbet, vice president and manager; H. E. Green, chief engineer; W. Sidney Smith, superintendent of irrigation (Spanish and English).]

REGULATIONS.

[English translation.]

Regulations for the distribution of the waters of the Yaqui River, in the State of Sonora, diverted by the Compania Constructora Richardson, S. A., under the contract with that company dated February 16, 1909.

ARTICLE 1. The irrigation system of the Compania Constructora Richardson, S. A., for the lands of the Yaqui Valley, comprises the following works:

A. A main diversion canal, starting from the left bank of the river and dividing into the west and the east branches.

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B. The primary canals, which will start from the main canal and its branches among which is included the Porfirio Diaz Canal.

C. The secondary canals which will start from the primary canals.

D. The tertiary canals which will start from the secondary canals and supply water to the individual canals for each piece of land under cultivation, which in turn will feed the irrigating streams.

E. Finally, all the construction works, such as dams, intakes, head gates, check gates, bridges, etc.

ART. 2. For the purposes of the maintenance and operation of the irrigation system, the company shall have exclusive charge of the main canal, the branches and all construction works pertaining to same, such as head and check gates, bridges, etc.

ART. 3. The respective landholders shall have charge of the primary, secondary, and tertiary canals, as well as the construction works pertaining to same. Consequently, the construction of this part of the irrigation system and its maintenance to supply the water shall be for the account of all landholders receiving water from each primary canal in proportion to the area of land which they own.

ART. 4. For the purposes of articles 10 and 15 of the water tariff, each primary canal, together with all the works pertaining thereto, shall be considered as a section for the supplying of water.

Therefore the water users of each section shall name a common representative who shall deal directly with the company in all matters relating to the maintenance of the works and the diversion and use of the water.

ART. 5. The representative of each section shall have the following duties:

A. To comply with and enforce the obligations imposed by the water tariff and these regulations.

B. To maintain in good condition and ready for service the hydraulic works for the distribution of the water, for which purpose he shall fix by agreement with the landholders the amount that each landholder should contribute, the method of handling the funds and the form in which the work is to be carried on.

C. To apply to the company for the total amount of water that the landholders he represents may need, specifying, although approximately, the amount to be supplied to the landholders monthly during the irrigation season each year. With the said application he shall deliver to the company the total water rental covering the total amount of water that may be needed.

D. To see to the distribution of the water among landholders he represents according to the amount that each landholder has applied for.

E. To be the intermediary for the applications which the water users make to the company and the complaints or claims made against the company.

ART. 6. The annual irrigation season will commence on July 15 and close on June 15 of the year following.

ART. 7. All water users must file their applications, at the latest, within the 15 days prior to that on which the irrigation season commences.

ART. 8. The applications must be made out in duplicate on the printed forms furnished by the company and approved by the Department of Fomento. They will show, although only approximately, the monthly amounts of water that the company is to deliver.

ART. 9. The representatives of the water users must notify the company at least 48 hours in advance of any change in the monthly delivery of water applied for.

ART. 10. The company will not take action on any application, complaint, or claim that is not made through the respective representatives of the water users.

ART. 11. The company will not take any action on applications for water which may be filed at a time not included in the regular season fixed for that purpose, except in case of unforeseen circumstances or acts of nature so defined by the Department of Fomento. In such cases the company shall render a correct report upon the application.

Should anyone purchase land during the irrigation period and desire to cultivate same, the company shall be obliged to receive and act upon his application for water, although the same is filed at a time not included within the period fixed by article 7 hereof.

ART. 12. When it is necessary to supply the water by rotation, as provided in article 7 of the tariff, the distribution shall be made among the primary

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canals commencing at the intake of the main canal and proceeding in a descending order.

The duration of each rotation shall be fixed by agreement among all the representatives of the water users, serving as a basis.

A. The amount of water available.

B. The areas to be irrigated according to the applications filed and the necessities of the system of cultivation established upon the lands.

C. Effort will be made to supply water to the greatest number of users possible, but the length of each rotation should not be so short that it will endanger the crop.

In case the water users do not reach an agreement among each other or with the company the matter will be submitted for decision to the Department of Fomento, together with all the necessary information, data, and details to give a proper understanding.

Until the department shall decide, the length of time fixed by the company's engineer shall be adopted provisionally, without prejudice to the rights of those who may be injured by the temporary decision to receive indemnity according to the final decision rendered by the Department of Fomento.

ART. 13. The company will appoint, under the orders of a chief, the canal watchmen and gate keepers it may deem necessary for the policing and maintenance of the main canal, its branches, and the construction works pertaining thereto.

The company shall advise the water users of the persons appointed in accordance with this article.

These persons shall be the only ones who, under the orders of the company, may operate the gates of the main canal and its branches.

These persons may, in certain cases, assist the other employees of the irrigation system, when circumstances may so require and upon application of interested parties.

ART. 14. All persons other than those designated by the company are hereby prohibited from operating the gates of the main canal and its branches and from constructing in said main canal and branches any new work or from modifying those already existing.

ART. 15. Likewise, all persons other than those designated by the water users for the distribution of water are hereby prohibited from operating the gates in the other canals of the irrigation system.

ART. 16. The modification of the irrigation system without the consent of the Department of Fomento, after hearing the company, is hereby prohibited.

ART. 17. It is prohibited to throw foreign materials or objects into the canals or to prevent the free flow of the water.

ART. 18. For the purpose of policing, maintaining, and repairing the irrigation system, a right of way two meters wide is hereby established over the length of each and everyone of the canals forming the system, and the passage of the representatives of the water users; the employees, canal watchmen, and gatekeepers of the company shall in no way be impeded

ART. 19. Under no circumstances shall the establishment of warehouses, shops, factories, stables, pig pens, and, in general, anything that might produce substances to contaminate the water to the damage of the public health, be permitted within a distance of 20 meters from the banks of the canals.

ART. 20. The company shall have the right to increase the development and capacity of the canals for the purpose of conducting a greater volume of water through them, but in each case the company must first secure the respective authorization from the Department of Fomento.

ART. 21. In case it should become necessary to make repairs or modifications in the works of the system, in order to improve their operation or the utilization of the water, the company may suspend the use of the water, but only for such time as is strictly necessary, giving such notice to the water users as the time may permit. For the purpose of proceeding with such work, the company should first obtain the necessary authorization from the Department of Fomento, for which purpose the company shall submit such reports to justify the work as may be necessary. In all cases the company shall be obliged to furnish to the water users such amount of water that it may have failed to deliver to them as soon as the works or repairs are completed.

ART. 22. The company shall be responsible for all damages that may be caused to the water users through the suspension of the water supply in the cases referred to in the foregoing article, provided the Department of Fomento declares the conduct of the company unjustifiable.

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ART. 23. The company shall not be responsible for damages caused to the water users on account of scarcity of water in the river or the suspension of the water supply through unforeseen accident to the works of the system, which it is not possible for the company to remedy immediately, in the judgment of the Department of Fomento.

ART. 24. The methods used for measuring the water carried by the canals and furnished to the water users shall be such as are approved by the Department of Fomento, after being submitted by the company. To cover this point the company will publish complete instructions, approved by the Department of Fomento, for the use of the gatekeepers.

ART. 25. In case of disagreement as to the measurement of water, the chief gatekeeper of the company, in the presence of the respective representatives, shall take the measurement in question, and in the event of the disagreement still existing the company's engineer shall decide the case. Should the parties interested not accept this decision the matter shall be referred to the Department of Fomento, which shall make proper disposition of same.

ART. 26. The company shall post in a public place in its offices detailed lists of the amounts of water carried by the primary canals.

The company shall furnish monthly to the water users or their representatives the corresponding lists.

If within a period of 10 days after their delivery the representatives of the water users make no protest, these lists will be considered accepted by the interested parties.

ART. 27. The water users are obliged to maintain and keep in good condition the necessary drainage ditches in order to afford an outlet for the excess water from their lands.

ART. 28. If on account of the bad condition of the canals and other works under the case of the water users, they are not able to receive the amount of water applied for to the company, they shall not be considered as coming under the conditions referred to in article 9 of the water tariff.

ART. 29. The penalties established by the law of December 13, 1910, are applicable both to the company and the users of the waters referred to in these regulations.

Mexico, May 19, 1911.

M. MARROQUIN Y RIVERA.

A true copy.
Mexico, May 22, 1911.

E. MARTINEZ BACA,
El Official Mayor.
FRANCO. ONTIREN,
Confrontada.
M. R. VERA,
Conforme.

TARIFF PERTINENT TO WATER CONCESSION OF COMPANIA CONSTRUCTORA RICHARDSON, S. A., OF SONORA, MEXICO.

[W. E. Richardson, president and general manager; H. A. Sibbet, vice president and manager; H. E. Green, chief engineer; W. Sidney Smith, superintendent of irrigation. (Spanish and English.)]

TARIFF.

[English translation.]

Tariff to which the Compania Constructora Richardson, S. A., shall be subject in selling the water from the Yaqui River, State of Sonora, of which it is the concessionaire.

ARTICLE 1. According to the provisions of the contract of the 16th of February, 1909, executed between Mr. Alberto Stein and the secretary of the office of Fomento, the company is obliged to keep in good order the hydraulic works on the main canal, in order that it may deliver water to the consumers to the extent of an equitable division among all the lands now cultivated or those which, in the future, may be put under irrigation.

ART. 2. The concessionary company shall not establish in any manner so-called "water rights," and therefore each owner of land, whatever may be its area, is entitled to receive water for its irrigation.

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ART. 3. The maximum price that the company may charge at present shall be $0.80 Mexican currency for each 1,000 cubic meters of water which shall be delivered at the main canal.

ART. 4. The minimum quantity of water that the owners of irrigable lands may ask annually shall be 3,125 cubic meters per hectara.

ART. 5. The maximum quantity of water that the company shall be obliged to furnish to each consumer shall be 12,500 cubic meters per hectara per annum.

ART. 6. The owners of land irrigable with the company's water shall have the right to demand its delivery to them to the extent of 2,000 cubic meters per hectara per month until the quantity of 12,500 cubic meters mentioned in the previous article has been delivered. When they make their request for said water they shall give at least 24 hours' notice, expressing the date on which the water shall be delivered and the quantity they desire furnished them.

ART. 7. In times of scarcity the company shall distribute water in proportion to the area of the lands to be irrigated, and, if it is necessary, it shall be delivered to them in turn or in groups.

ART. 8. The payment of the amounts specified by this tariff shall be made in advance and for the total amount of water required.

ART. 9. The users of water shall be entitled to have delivered to them by the company in the following year the quantity of water which they have not used during the preceding year and for which they have paid.

ART. 10. The consumers shall build, at their own expense, the secondary canals, or laterals, for bringing the water to the land to be irrigated; and, in cases provided by article 15, the owners in each district who make use of the same canal shall have a common representative, who shall make request for water for the canals under his supervision and arrange the distribution of the water delivered by the company at the head gate in the main canal.

ART. 11. In order to abtain water for the irrigation of their lands, private parties, exclusive of owners of a lateral canal, or community owners, as mentioned in articles 10 and 15, shall make request of the company, in writing, in duplicate, mentioning the area of the land to be irrigated, data necessary for its identification, and the quantity desired. The company shall return one copy of this request with annotations of the date and hour of its presentation, and shall keep the duplicate at the main office of the company for the inspection of the public.

ART. 12. The consumers shall advise the company, in writing, in duplicate. of transfers of land made by them.

ART. 13. The consumers shall construct, at their own expense, and under the supervision of the company, the structures which shall be established in the main canal for the diversion of water; these works to be the property of the company; or they may elect that the company build said structures, in which case the consumers shall be obliged to pay as compensation $1 Mexican currency for each 1,000 cubic meters of water instead of $0.80 as established by the third clause hereof.

ART. 14. The owners of the land contiguous to the lateral canal Porfirio Diaz who shall make use of the water of the company shall pay one-half of the price fixed by article 3 of this tariff in accordance with the provision of article 5 of the contract executed by the company with the secretary of Fomento on the 16th of February, 1909, and said water shall be delivered from the main canal of the company to said landowners at the head gate of the said Porfirio Diaz Canal, and subject to the provisions of articles 4, 5, 6, 7, 8, 9, 10, 11, 12, and 13 of this tariff.

ART. 15. When a lateral canal is suitable for the use of several landowners without detriment to the owners of said canal such canal owners are obliged to permit its use, provided they are compensated in proportion to the cost of such lateral.

ART. 16. The company shall be obliged to keep records in detail of the quantities of water which it is delivering to each district in accordance with the terms of article 11.

ART. 17. The company shall be obliged to publish the rules and regulations which it employs for measuring and delivering the water to consumers.

ART. 18. The records referred to in article 16 shall be subject to the inspection of the public, in order that the interested parties may make such observations as they may deem convenient respecting their conformity.

MEXICO, *April 22, 1909.*

Approved.

(Signed) A. ALDASORO.

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CONCESSION RELATIVE TO STATE TAXES ON LANDS OF COMPANIA CONSTRUCTORA RICHARDSON, S. A., OF SONORA, MEXICO.

[W. E. Richardson, president and general manager; H. A. Sibbet, vice president and manager. (Spanish and English.)]

Contract entered into between the executive of the state on one part and on the other Mr. Alberto Flores in the capacity of attorney for the Compania Constructora Richardson, S. A., in regard to the reduction of taxes on sales of property made by the said company.

ARTICLE 1. All sales made by the Compania Constructora Richardson, S. A., or its legal successors or assigns of the property that it now has within the comprehension of the Yaqui Valley, in this state, in favor of third persons or companies during the term of 10 years, counting from the date on which this contract may be approved by the honorable congress, shall cause the tax on transfer of property fixed by article 1 of the law No. 2 of September 20, 1881, on the total value of the hectares sold, at the rate of $6 (6 pesos) for each hectare, whatever may be the actual selling price, with the understanding that the said price of 6 pesos for each hectare shall serve in the future as the basis upon which the acquirers or purchasers shall pay the ordinary land tax of 8 per thousand established by the law No. 20 of January 16, 1904.

ART. 2. All the property that the company now has in the said Yaqui Valley, for the same term of 10 years, to be counted from the next fiscal year, shall cause the land tax of 8 per thousand upon the total value of said land, computed at the rate of 4 pesos for each hectare, with the understanding that no subsequent law shall change or derogate such valuation.

ART. 3. The Compania Constructora Richardson, S. A., can not transfer this concession without the express consent of the state government.

ART. 4. The concessionary company and the persons or companies that with the permission of the executive may succeed it by transfer, purchase, or some other legal title, as well as the employees, stockholders, and other persons who may have interest in it, shall be considered always as Mexicans in all the affairs relative to this contract, and shall be submitted exclusively to the jurisdiction of the courts of the republic or of the state, as the case may be.

ART. 5. The concessionary company and the foreigners or their legitimate successors who may take part in its affairs, in whatever capacity, can never claim under any pretext the right of foreigners, since they shall have only the rights and privileges that the federal laws or those of this state, as the case may be, give to Mexicans. Consequently the diplomatic agents shall have no intervention.

ART. 6. This concession shall become void by the violation of article 3, and the annulment shall be declared administratively by the executive of the state, previously giving the company a hearing with a term not exceeding 30 days. The declaration made in this form shall have no ulterior recourse.

ART. 7. The company contracts the obligation to give to the Government when the latter may ask for same the economical and statistical data that may be desired relative to its business.

ART. 8. The stamps and expenses of any kind that this contract may cause shall be for the account of the Compania Constructora Richardson, S. A.

Made in duplicate at Hermonillo, on the 21st day of the month of September, 1909.

ALBERTO CUBILLAS.
BRIGIDO CARO.
A. FLORES.

DEFENSE SUBMITTED TO THE FEDERAL GOVERNMENT OF MEXICO BY THE RICHARDSON CONSTRUCTION CO. (INC.), AGAINST THE PROPOSED NULLIFICATION OF ITS CONCESSION GRANTED AUGUST 18, 1911, FOR THE USE OF THE WATERS OF THE YAQUI RIVER, CONSISTING OF A COPY OF THE ORIGINAL IN SPANISH AND AN ENGLISH TRANSLATION.

Mr. SECRETARY OF AGRICULTURE AND FOMENTO:

H. A. Sibbet, vice president of the Richardson Construction Co. (Inc.), before you respectfully deposes:

That in exercise of the rights granted in the last part of article 27 of its concession of August 18, 1911, and approved by the Federal congress December 19 of said year, said company, acting through me, hereinafter sets forth its defense against the declaration of forfeiture of said concession.

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COMMUNICATION FROM THE DEPARTMENT.

1. Mr. Alberto Stein, the representative of said company in the City of Mexico, transmitted to us your communication No. 4360–bis, which he received from the bureau of waters of the department, under your able direction, the 21st day of last December. Said communication is as follows:

"Referring to the contract entered into between this department and said company August 18, 1911, for the use of the waters of the Yaqui River to the maximum amount of 3,942,000,000 cubic meters per annum for the irrigation of its lands, I hereby affirm that the company you represent, not having complied with the obligations imposed upon it by articles 4, 5, 9, 15, 18, 19, and 21 of the aforesaid concession, said concession should be declared forfeited, as provided in article 27 thereof; and in order that the said company may submit its defense and pursuant to the article last above cited, it is hereby granted the period of two months, not subject to extension, for this purpose, with the understanding that in the event that no such defense is submitted this department shall definitely decree the forfeiture of said concession. The foregoing is transmitted to you for your information and action."

In accordance with the terms of the aforesaid communication there are six causes of forfeiture set forth by that department, which, being classified in accordance with the articles of the concession that are alleged to have been violated, are as follows, to wit:

Cause I. Article 4.
Cause II. Articles 5 and 15.
Cause III. Article 9.
Cause IV. Article 18.
Cause V. Article 19.
Cause VI. Article 21.

None of the foregoing causes of forfeiture are justified, as is hereinafter shown.

CAUSE I.

2. Article 4 of the concession, which is alleged to have been violated, provides as follows:

"The company is obligated to supply water for irrigation to the owners of lands situated under the canals which, by authorization of this contract, it hereafter builds, without prejudice to the right of the company to use water for the irrigation of its own lands.

"The department of fomento shall determine, in accordance with the maps, those portions of the land to which this obligation applies."

The department does not state, as it should have done, the specific cases in which the company has failed to supply water for irrigation to the owners of lands situated under the canals of the company, an omission that is unwarrantable when one takes into consideration the seriousness of such a declaration of forfeiture and the principle of equity that requires that charges be specific, in order that the defense thereto may likewise be specific.

Nevertheless, the company is in a position to affirm that it has never failed to deliver water for irrigation to the owners of lands situated under its canals, in accordance with the terms of the concession and the respective regulations and tariff.

3. Article 4 of the concession above cited does not impose upon the company in absolute terms the obligation to deliver to the owners of lands all of the water by them applied for. The obligation of the company is subject to the following conditions:

(*a*) That the lands for the irrigation of which water is applied for be situated, as stated in said article 4, under the canals that are built by the company.

(*b*) That the said lands be owned by the applicants, since said article speaks expressly of the owners of lands.

(*c*) That the owners of lands be governed by the tariff approved by said department and by the regulations adopted for its application. This condition is expressly set out in article 14 of the concession, as follows:

"During such time as the company shall not have built the storage reservoirs referred to in article 5, subsection A, it may charge for water to be used for irrigation the price authorized in the tariff which was approved by the department of fomento April 22, 1909, in accordance with the concession granted to said company April 16 of said year.

"When the company shall have constructed said storage reservoirs and is able to supply water for irrigation during all seasons of the year, it may

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increase the tariff rates and charge not to exceed $1.10 (pesos) per thousand cubic meters of water delivered to landowners in general, and $1 (peso) for like amount delivered to the owners of land irrigated under the Porfirio Diaz Canal."

4. Relative to the first point, the company is able to maintain that at all times it has furnished to the owners of lands situated under its canals the water they have applied for, to the limit of the capacity of its irrigation works, as provided in the tariff. If there have been owners of lands not so situated that have applied for water for irrigation such applications would not come within article 4 of the concession, and therefore failure to accede thereto would not imply a violation of said article. With relation to lands situated under the canals of the company, the following table shows the amounts of water that were delivered from July, 1911, to December 31, 1918:

Irrigation year.	Land under cultivation (hectares).	Water delivered (cubic meters).
July, 1911-June, 1912	9,593	80,662,706
July, 1912-June, 1913	10,853	96,553,308
July, 1913-June, 1914	10,811	75,567,784
July, 1914-June, 1915	8,874	53,522,373
July, 1915-June, 1916	5,982	66,023,518
July, 1916-June, 1917	6,746	82,579,501
July, 1917-June, 1918	11,023	101,771,234
July, 1918-Dec., 1918	8,621	55,935,977

In this connection it should be observed:

(*a*) That the decrease of the areas in cultivation after June, 1915, was due to the revolutionary conditions then prevailing in that district, as well as in other parts of the country, and in no way to the inadequate capacity of the canals to supply the water applied for.

(*b*) For the year 1917–18 the increase is perceptible, and it appears that the increase will be still greater for the year 1918–19, judging from the figures shown for the last half of the year 1918. This is due to the great efforts to this end made by the company, in spite of the absence of security and the disturbed conditions that still continue to exist in that section of the country.

5. With reference to the point mentioned under subdivision B, of paragraph 3, the company has been under no obligation to supply water to persons applying for same for the cultivation of lands belonging to other people, pursuant to authorization or permits issued for this purpose by the local authorities. If such authorizations or permits have been granted, they can in no way be obligatory upon the company in opposition to the terms of the concession; and the refusal of the company to supply water under such circumstances can not, therefore, be construed as a violation of article 4 of the concession, which in express terms defines and safeguards the rights of the company.

6. With relation to the points referred to in subsection C, of paragraph 3, the company recalls that in August, 1918, certain water users refused to receive water in the manner provided in the regulations and tariff, as approved by the department of fomento, affirming that the water should be delivered directly onto the lands, instead of at the intake gates of the primary canals in the main canal of the company. In this connection the following provision should be cited:

(*a*) From the tariff approved by the department of fomento, April 22, 1909, in accordance with the original concession of February 16, 1909, which was substituted by the concession now in force:

"ARTICLE 1. In accordance with the provisions of the contract of February 16, 1909, entered into between Mr. Alberto Stein and the department of fomento, the company is obligated to maintain the principal irrigation works, in order to be able to make an equitable distribution of the available water to the lands now in cultivation and that may hereafter be brought under irrigation.

"ART. 10. The water users shall build, at their own expense, the secondary or lateral canals for conveying the water to the lands to be irrigated, and in the cases mentioned in article 15 the landowners of each section who use the same canal shall have a common representative to apply for water for his district and also to distribute the water delivered at the intake gates of the main canal."

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(*b*) From the regulations approved by the department of fomento, May 27, 1911, in accordance with the original concession, which was substituted by the one now in force:

"ART. 2. For the purpose of maintaining and operating the irrigation system the main canal and its branches and all the structures appertaining thereto, such as head gates, check gates, bridges, etc., shall be under the exclusive supervision of the company.

"ART. 3. The primary, secondary, and terciary canals, and likewise the structures existing therein, shall be under the supervision of the respective landowners. Therefore, the construction of this part of the irrigation system, and likewise the maintenance and operation thereof, shall be for the account of all landowners who receive water through the primary canals proportionately to the area of land belonging to each.

"ART. 4. For the purposes of articles 10 and 15 of the respective tariff, each primary canal and all works used in connection therewith for the delivery of water shall be considered a district.

"Therefore the water users of each district shall designate a common representative who shall deal directly with the company in all matters pertaining to the maintenance of the irrigation system and the diversion and use of water.

"ART. 5. The representative of each district shall be obligated:

"(*a*) To comply with the obligations imposed by the tariff and these regulations.

"(*b*) To maintain in good serviceable condition the hydraulic works for the distribution of the water, for which purpose he shall fix, by agreement with the landowners, the quota that each shall pay, the manner of administering the funds, and the form in which work is to be carried on.

"ART. 14. All persons, other than those designated by the company, are prohibited from operating the head gates of the main canal and its branches, and likewise from constructing in said canal and its branches any new work or from modifying the work now existing.

"ART. 15. Likewise, all persons other than those designated by the water users for the distribution of the waters are prohibited from operating the head gates or other canals of the irrigation system."

To such an extent was the attitude of the company justified in opposing the onerous modification of its obligations that the department, under your able direction, ordered the water users to appoint a common representative for each irrigation district to receive the water at the intake gates of the primary canals, and this has been done.

CAUSE II.

7. The articles of the concession that the department cites with relation to this second cause of forfeiture are as follows:

ART. 5. The company is obligated to undertake the following works:

A. One or more storage dams to be situated in that section of the Yaqui River comprised between the point called soyopa and its confluence with the Babispe River and in the Babispe River between said confluence and the confluence of the Fronteras and Babispe Rivers.

B. A diversion dam at that point on the Yaqui River, known as Los Limones.

C. Two irrigation canals starting from the dam at Los Limones and extending one along the left and the other along the right bank of the river, the first connecting at Los Hornos with the canal now belonging to the company and serving for the irrigation of the lands situated on the left side of the Yaqui River; and the second for the irrigation of the largest area of land possible on the right bank of the river.

D. The systems of secondary canals and other works intended for conveying, distributing, and utilizing the waters for lands belonging to the company susceptible of irrigation.

E. The works necessary for the formation of one or more falls, in order to utilize the stored waters in the development of electrical power to be used for industrial purposes in general, and especially to operate the pumps necessary to complete the irrigation system.

F. The electric transmission lines and the plants necessary to utilize the electrical power.

ART. 15. For the purpose of this concession, the company shall be governed by the following periods, all dating from the day of its publication:

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I. Six months to commence the construction of the canals, headgates, and other projected works for the irrigation of the lands situated on the left bank of the Yaqui River, the plans of which have already been approved by the department of fomento in accordance with the concession of the 16th day of February, 1909.

II. Eighteen months within which to present the plans for the storage and diversion dams.

III. Twenty-four months within which to commence the construction of the dams.

IV. Four years within which to present plans for the proposed works for the generation of electric power.

V. Four years within which to present plans of the works for the irrigation of lands on the right bank of the river.

VI. Five years within which to commence the constuction of the works for the development of electric power.

VII. Five years within which to commence the construction of the works for the irrigation of lands on the right bank of the river.

VIII. Six years and six months for the completion of all the works, with the exception of thoes specified in section D of article 5, which works will be constructed as fast as the land is subdivided and sold.

These articles contain one express exception with relation to their application, which is set forth in the following article:

"ART. 16. The obligations incurred by the concessionaire company concerning the periods of time fixed in this concession shall be suspended in case of fortuitous circumstances or acts of God, duly substantiated.

"The said suspension shall continue only for such time as the cause thereof continues and the concessionaire company shall present to the department of fomento notices and evidence of such fortuitous circumstances or acts of God of the nature mentioned, within a period of three months from their occurrence, and should the company fail so to present such notices and evidences it shall at no time be heard to allege such fortuitous circumstances or acts of God.

"The company shall also present to the department of fomento notices and evidence of the immediate resumption of work upon the removal of the hindrance, which notices and evidence shall be filed within two months following resumption."

8. In the early part of 1912 conditions in the district in which the works of the company are situated assumed such a grave character of insecurity that it was impossible for the company to continue the construction of the projected works. Exercising the rights conferred by article 16 in May, 1912, the company applied for the suspension of the periods set forth in its concession and filed evidence in support thereof. In the judgment of the department of fomento the evidence submitted was convincing and on August 9 of the said year of 1912 said department addressed to the company communication No. 1030, the relevant part whereof being as follows:

"Referring to the applications presented to this department by you as attorney in fact of the Richardson Construction Co., (Inc.), concessionaire for the use of waters of the Yaqui River in the State of Sonora for purposes of irrigation, requesting, in view of the conditions existing in that district, that the periods stipulated in article 15 of the contract of August 18, 1911, be suspended, I hereby state that in view of the reports in possession of this departmet, it accedes to you application and therefore the periods mentioned in article 15 of said concessions are suspended, until tranquillity is restored to the State of Sonora and normal conditions again prevail in the region of the Yaqui Valley, which I transmit to you for your consideration and action."

The concession of August 18, 1911, was approved by the federal congress December 19 of the same year and was published in the official paper the 28th day of said month, from which last date all the periods established in article 15 are reckoned, as provided in said article.

From December 28, 1911, to the month of May, 1912, in which application was made for the suspension of said periods, not even the first 6 months stipulated in article 15 for the commencement of the construction of the proposed irrigation system had expired; much less the greater periods of 18 and 24 months and of four, five and six and a half years specified in subdivisions II to VIII of said article 15.

9. The conditions of insecurity, disturbance, and depredations that occassioned the suspension of the periods applied for in May, 1912, have not yet ceased. Alternatively they have been critical and then less serious but substantially

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have continued to exist, so that no one can say that the situation in that district has become normal nor that tranquillity has been restored to the State of Sonora. For this reason the said periods have not again begun to run. To cite occurrences well known to the public, of which without doubt reports exist in the department under your able direction, furnished by the government of the State of Sonora and by the military authorities, I shall mention the following:

(*a*) In the month of October, 1917, Gen. P. Elias Calles, chief of the military operations in Sonora and Mr. C. G. Soriano, acting governor of the State of Sonora, issued the following proclamation:

"Notwithstanding the continuous, prudent and well-intentioned efforts made by the Government to reach a peaceful solution of the intolerable situation created since time immemorial in the State, principally in the central and southern districts thereof, by the rebellion of the Yaqui tribe, the inevitable moment has arrived of undertaking an armed, firm, certain, radical, and decisive campaign to put a definite end to a state of things that threatens to perpetuate itself, to keep business paralyzed and the sources of production closed in the richest sections of the State, with continuous alarm to the inhabitants of said region, important elements of labor and order, who are being slowly and cruelly destroyed by a relatively insignificant group of individuals who are refractory to all civilizing influence.

"It would be idle to try to set forth in detail the grave situation that in all time, but especially at the present time, has been and is being created by the banditry of the Yaquis. If they have heretofore constantly retarded the work and the exploitation of the best districts in the State, and have sown mourning and desolation in its families, producing a deplorable economic depression in said State, . . . it is now necessary to terminate in the shortest time possible and definitely such acts, which speak slightingly of our progress."

Unfortunately this campaign, like others begun on a small scale against the Yaquis, was not continued to such point as to destroy the cause of the assaults, attacks, and systematic assassinations of these rebellious Indians.

(*a*) On the 6th day of December, 1917, a band of several hundred Indians attacked the town of Esperanza, burned the principal buildings of the company, with a loss to it of 34,000 pesos, which does not include the value of the personal effects belonging to its employees, and during the battle that ensued a considerable number of soldiers were killed and also four foreigners who were on the road south of said town.

(*b*) In the early part of January 18, the Yaqui Indians attacked a southbound train as it passed through the Yaqui Valley and brutally assassinated 40 persons including men, women and children.

(*c*) The 8th of March of the same year the said Indians attacked the ranch of Chinocobi, to the south of Esperanza near Fundicion, killing two cowboys and taking all their stock.

(*d*) Towards the last of May Mr. Cenobia Ibarra, a farmer and 50 of his laborers were killed by the rebellious Indians about four kilometers south of the town of Bacum.

(*e*) On June 4 the Indians burned the railway bridges near Batomotal and the following day a band of several hundred of them attacked the town of Torim, burning some houses on the outskirts and killing at least nine persons.

(*f*) The 23d day of said month of June the Indians aproached the outskirts of Cocorit and stole a considerable quantity of corn.

(*g*) July 18 following a band of the said Indians attacked the town of Cabora, situated some 20 kilometers from Fundicion, and took about 25 mules.

(*h*) In August of the same year a band of Indians, consisting approximately of 200 men, attacked the farmers near Potam, stealing their work animals, and during the same month they committed a similar depredation in the vicinity of Bacum station.

(*i*) During September, 1918, the Indians repeated such depredations, once at the San Pedro ranch on block 53, and another on block 29, between Bacum and Cocorit, in which two of the inhabitants were shot and two more were hung by the Indians.

(*j*) In speaking of the Yaqui situation Gen. P. Elias Calles, governor of the State of Sonora, in his message to the State legislature of September 16, 1918, states the following:

"The campaign against the rebellious Yaqui Indians has continued to be prosecuted by the military forces, with the assistance of the inhabitants of the threatened districts, by whom the evil is being slowly extirpated. * * *

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Some of the mayors of towns have addressed communications to the executive, asking for arms and ammunition with which to fight the rebellious Yaquis, all of which petitions were transmitted in due course to the general staff, which has promptly carried out the suggestions made in connection therewith.

"The rebellion of the Yaquis, which is a fatal obstacle to the advancement of the State, has been and will be difficult to extinguish, due to the tactics they employ in committing their depredations, which consist in evading contact with the pursuing troops and of attacking defenseless places, but in spite of all this it can be affirmed that the situation is improving, due to the efforts of the soldiers and civilians, and the day is not far distant in which we may find ourselves free from what now constitutes the principal obstacle to the development and growth of the most important agricultural region of Sonora."

In this connection it should be observed that the first political authority of the State of Sonora does not affirm that a condition of tranquillity has been reestablished, since he limits himself to stating that the "evil is being extirpated" and that "the situation is improving," and of predicting that "the day is not far distant when we may find ourselves free of what now constitutes the principal obstacle to the development and growth of the most important agricultural region of Sonora."

(*k*) In fact, on the 25th day of September, 1918, the Indians attacked three cowboys near the head gates of the company near Los Hornos and several days later penetrated as far as the town of Cocorit and sacked it, stealing several mules.

(*l*) October 6 following a small band of the Yaquis approached the vicinity of Block 31.

(*m*) About the middle of November, 1918, a train southbound from Guaymas in passing through the valley had to stop, due to the presence of a large band of Indians.

(*n*) During the same month the Indians appeared on two occasions near the head gates of the company at Los Hornos and at another time on the bank of the river opposite this point.

(*o*) As is their custom, and as pointed out by the governor of the State of Sonora, the Indians avoid fighting; they retire when attacked; they return to any place they find without defense in which they can sack, kill, and commit all kinds of outrages; and therefore so long as such conditions of insecurity exist, they can not be said to be normal, and it is impossible that any concern attempt to renew its operations, not only because of the futility of such efforts but because of the danger to which their laborers and employees are exposed.

(*p*) The town of Torim, which previously had a population of 3,000 inhabitants, is almost abandoned, and the same applies to Potam and Vicam; the Southern Pacific Co. has not been able to rebuild its bridges and culverts, except temporarily, and its service south of Guaymas, where previously there were at least one passenger train and one freight train daily, now is reduced to a mixed train three times a week, which requires at least double the running time previously consumed.

(*q*) When the governor of the State of Sonora and the commander of its military forces affirm that the activity of the Indians "threatens to perpetuate itself, to keep business paralyzed and the sources of production closed in the richest sections of the State," and it should be noted that such sections comprise the valley of the Yaqui; when they further affirm that this situation causes "conditions alarming to the inhabitants of said region, who constitute the sources of labor and order and who are being slowly and cruelly destroyed"; when they affirm that the Yaquis "have retarded the development and exploitation of the best portions of the State, and have sown mourning and desolation in its families, producing a deplorable economic depression"; and when, finally, as late as the 16th day of September, 1918, the governor of the said State affirms that the rebellion of the Yaquis "now constitutes the principal obstacle to the development and growth of the most important agricultural region of Sonora"; and this region being none other than that wherein are situated the lands and irrigation works of the company, there can be no doubt that "tranquility has not been restored to Sonora," that normal conditions have not returned to the region of Yaqui Valley, and, therefore, in the terms of the communication No. 1030 from the Department of Fomento, dated August 9, 1912, the periods referred to in articles 5 and 15 of the concession continue suspended, and the company has not violated the said articles, and

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the proposed forfeiture of said concession, predicated by the department under your able direction on the alleged infraction thereof, is not warranted.

CAUSE III.

II. Article 9 of the concession to which this cause of forfeiture relates is as follows:

"The company must construct its hydraulic works in accordance with the specifications approved by the Department of Fomento and in such manner as to allow the free passage down the river during the different seasons of the year in an amount sufficient to supply the water now being used by the different riparian owners during said seasons."

Said article is related to the following articles of the said concession:

"ART. 6. The company is especially obligated to respect existing water rights on the Yaqui River held by riparian owners below the different storage reservoirs to be built by the company.

"ART. 7. In order to investigate said existing rights, the amount of water being used, and the manner and other details for supplying same, the Department of Fomento shall appoint a commission to make a study of the river, existing canals and irrigation works.

"Said commission shall complete its labors within the maximum period of one year from the date of the publication of this contract, a period considered sufficient for the completion of the work.

"Nevertheless, if because of any act of God the commission can not commence its labors within the period specified, said period shall be extended for a period sufficient to make up the lost time."

"ART 8. As soon as the reports of said commission are filed the Department of Fomento shall decide the volume of water indispensable to satisfy the existing water rights as well as the seasons, duration, form, and other details concerning its supply, the company obligating itself to carry out the orders issued by the Department of Fomento regarding this point."

In accordance with the articles set forth in paragraph 10 hereof, the obligation of the company to permit the free passage down the river of the amount of water which at the time of granting the concession was being used by the riparian owners, was subject to the following prior conditions:

(*a*) That the Department of Fomento should appoint within a period of one year a commission to study the river and the then existing canals and irrigation works;

(*b*) That this period should be extended in case of the intervention of an act of God;

(*c*) That said commission should render a report on the amount of water then being used and the manner and other details relating to its use;

(*d*) That the Department of Fomento, in view of such report, should determine the amount of water indispensible to supply said water rights, also the seasons, duration, form, and other details pertaining thereto.

None of this has been done, or at least so far as the company knows or has been officially informed thereof.

12. In effect, no decision has yet been reached regarding the extent of the water rights that the company must respect, nor the amount of water necessary to be allowed to pass down the river; neither has there been any determination as to the seasons, duration, form, and other conditions by which the company must be governed. If, therefore, these previous requirements have not been complied with, and it is to be supposed that this failure is due, not to the negligence of the Government, but to acts of God, the company not only has not violated article 9 of the concession, but it has not even been possible for said article to have been violated.

13. Notwithstanding the foregoing, the company submits the following statement of facts.

(*a*) That if said riparian owners have failed to use the water of the river, this is certainly due either to the fact that they have not cared to use the water or they have not had the necessary facilities for diverting same, neither cause of which is in any way chargeable to the company.

(*b*) That the company has permitted the free passage down the river of an amount of water notoriously in excess of that required to satisfy the rights of the riparian owners existing before the date of the concession, which can be seen from the following table:

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	Hectares cultivated.	Total run-off of river, cubic meters.	Waters diverted and delivered by company, cubic meters.
July, 1911, to June, 1912	9,593	3,915,390,000	80,662,706
July, 1912, to June, 1913	10,845	5,518,380,000	95,553,308
July, 1913, to June, 1914	10,811	3,033,230,000	75,567,784
July, 1914, to June, 1915	8,874	13,279,950,000	53,522,373
July, 1915, to June, 1916	5,982	3,158,210,000	66,023,518
July, 1916, to June, 1917	6,746	3,686,050,000	82,579,501
July, 1917, to June, 1918	11,023	709,060,000	101,771,234
July, 1918, to December, 1918	8,621	1,903,509,000	55,935,977

As appears from the foregoing table, the amount of water diverted and delivered by the company during a period of seven and one-half years, in accordance with the concession, has been much less than the total run-off of the river, and, therefore, there has always passed more than enough water for the riparian owners referred to in articles 6, 7, 8, and 9 of said concession. In the year 1917–18, the year of greatest scarcity, the run-off exceeded 600,000,000 cubic meters, and since the total area of the riparian land capable of being irrigated, as shown by reports heretofore rendered by the company, barely comprises 4,300 hectares, it is evident that there has not been, neither could there have been, any violation of said article 9, even though the Department of Fomento had already concluded the work of investigation, had determined the amount of water to be respected as belonging to said riparian owners, and the seasons, duration, form, and other details relative to its use. The following table shows in detail by months for the exceptional year of 1917–18 the comparative amounts of the total run-off of the river and the water diverted and delivered by the company under its concession.

Months.	Total run-off, cubic meters.	Diverted and delivered by the company, cubic meters.
1917.		
July	66,155,000	3,578,179
August	67,725,000	3,787,376
September	58,109,000	12,814,337
October	55,516,000	8,838,291
November	49,219,000	15,459,827
December	38,418,000	13,790,905
1918.		
January	73,504,000	11,232,933
February	125,113,000	7,081,370
March	35,129,000	6,831,774
April	15,712,000	10,258,905
May	10,604,000	6,065,413
June	113,853,000	2,031,920
Total	709,057,000	101,771,234

Therefore, the third alleged cause of forfeiture does not exist.

CAUSE IV.

14. An attempt is made to base this cause of forfeiture on article 18 of the concession, which is literally as follows:

"The company obligates itself to prove to the Department of Fomento, within a period of 18 months from the date of the publication of this concession, that it has available not less than 1,000,000 pesos with which to begin the construction of the dams referred to in Subsection III of article 15. Within the period of 18 months following it shall prove that it has available not less than 4,000,000 pesos with which to continue the irrigation works." The company refers to and makes a part hereof of all and each of the facts and arguments set forth under the second cause of forfeiture. It having been established

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in paragraphs 7, 8, and 9 of this document that the periods fixed in the concession for the construction of the works were declared suspended and that such suspension shall continue to exist, legally the period of 18 months within which the company was to prove that it had available 1,000,000 pesos with which to begin the construction of the dams referred to in Subsection III of article 15 has not expired, much less the period of 18 months subsequent thereto, within which the company was to prove that it had an additional amount of 4,000,000 pesos to continue said irrigation works.

15. Furthermore, in order to demonstrate the fixed purpose of the company to advance its works in spite of all the obstacles and the general paralysis of business, it submits the following:

(*a*) Before the expiration of the first 18 months after December 28, 1911, it had already invested more than 1,000,000 pesos of national gold in the works covered by its concession.

(*b*) That the company, in order to continue constructing its work, as early as the month of December, 1912, had made arrangements with the Canadian Agency (Ltd.), for one and a half million dollars of American money, of which it invested in the enterprise $600,000.

Therefore, the company not only has not failed to comply with article 18 of said concession, but in view of the fact that the periods were in due course suspended by the Department of Fomento, it has done far more than it was obligated to do.

CAUSE V.

16. This cause of forfeiture is based on the alleged violation of the article 19 of the concession, which is as follows:

"The company obligates itself to subdivide and sell within a period of 15 years to be reckoned from the termination of the period of 6 years and 6 months referred to in Subsection VIII of article 15, all its lands susceptible of irrigation, or not less than 150,000 hectares, of which it shall subdivide and sell at least 10,000 hectares annually. For the purposes of this article the subdivision and sales made by the company prior to the date of the commencement of said period and subject to the conditions stipulated shall be applied on said areas."

In accordance with the preceding article the company is obligated to subdivide and sell within a period of 15 years all its lands, with the understanding:

(*a*) That said period shall begin to run six years and six months from the date of the publication of the concession, which period expired June 28, 1918.

(*b*) That the minimum area to be subdivided and sold by the company shall be 10,000 hectares annually.

17. The company refers to and makes a part hereof all the facts and agreements set forth under the second clause of forfeiture, and pursuant thereto it affirms that all the periods fixed in article 15 of the concession having been suspended and said suspension being still in effect, only a few months of the period of six years and six months mentioned in said article 19 have elapsed. Therefore, there has not been, neither could there have been, any violation of said article, in view of the fact that the first year during which the company was to have subdivided and sold a minimum area of 10,000 hectares has not yet begun.

18. But, furthermore, said article 19 clearly provides that all subdivisions and sales made before the date on which the said period of 15 years should begin to run should be included in said areas. The company has already subdivided more than 40,000 hectares of its irrigable lands, of which it has sold more than 13,000 hectares. As this area is to be applied on the area of 10,000 hectares to be sold during the first year, there is an excess of 3,000 hectares over the minimum to be subdivided and sold during this period.

19. But the strangest part of the matter is that, in alleging a violation of article 19, it is assumed that the first year of the 15 years in which the subdivision is to be completed has already expired. However, even assuming that the periods had not been suspended, which is assuming that which is not a fact, the year referred to in article 19 would have begun June 28, 1918, and would not expire until June 28, 1919.

20. Can more conclusive evidence be adduced that there has been no violation of article 19?

(*a*) The period of 15 years has not begun, since all the periods mentioned in the contract are suspended.

(*b*) Chronologically, as shown by the calendar, the first years of the 15 years stipulated in article 19, which should be reckoned from June 28, 1918, has not

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elapsed, even under the erroneous assumption that the said periods were not suspended.

(c) And, more convincing still, the company has already subdivided and sold 13,000 hectares of its lands, or 3,000 more than the minimum area it was obligated to sell during the first of the 15 years stipulated.

CAUSE VI.

21. It is purposed to base this cause of forfeiture on the inobservance of article 21 of the concession, which provides as follows:

"The company shall be obligated to advise this department as soon as possible of all sales as they are hereafter made, and all sales contrary to the provisions of the preceding article where the land sold is in excess of 2,000 hectares, shall be void."

22. This article contains two distinct provisions:

(a) One, fundamental in character, in accordance with which the company can not sell to one person an area in excess of 2,000 hectares.

(b) The other, which is administrative, provides that the company shall report future sales to satisfy the Government as to compliance with the restriction last above mentioned.

The sanction relative to the fundamental provision was the forfeiture of the concession in case of violation, the essential purpose of the Government being to effect the subdivision of the lands.

Such sanction was not stipulated relative to the administrative provision, since no definite period was fixed within which the company must report its sales, nor were such reports essential to the purpose of the concession.

23. In view of the foregoing there are no grounds for the forfeiture of the concession, if based on the assumed infraction of article 21, for the following reason:

(a) Because, with relation to sales made prior to the date of the concession, the Department of Fomento was advised thereof by the filing of maps showing such sales.

(b) Because since the date of the approval of the concession the company has made no sales, and if some of the deeds bear a subsequent date their execution was merely in pursuance of contracts previously entered into by the company.

(c) Because the company has reported to the Department of Fomento all sales heretofore made, with the name of each purchaser, the area and number of the block and lot by each purchased and the date of the original contract, or of the deed of conveyance, where the deed has been granted. This report was rendered July 12, 1918, in answer to a communication of June 12 preceding received from the Bureau of War.

(d) Because the obligation of rendering such reports refers only to sales made in the future, and not those of a date prior to the time the concession became effected.

(e) Lastly, and this reason in itself is sufficient, because the company has never sold to a single person an area of land in excess of 2,000 hectares, and only a violation of this prohibition could be used as a cause of forfeiture based on this article of the concession.

GENERAL ALLEGATIONS.

The forfeiture of the concession, as demonstrated, is unwarranted either from a technical or a legal point of view. Might the Government then base such forfeiture upon considerations of equity?

The company sincerely believes that in all matters pertaining thereto every consideration of equity tends to favor the continuance of the concession in force and leads to the conclusion that the Federal Government should support and assist the company.

24. In the midst of the most tremendous social, economic, and political convulsion through which the Republic of Mexico has passed since its inception; and in the midst of the most frightful and profound convulsion of the entire world, the company has endeavored in so far as it has been possible, I shall not say to comply with its obligations, but even to do more, and in fact it has done more.

With entire good faith it entered into the contract of August, 1911, which contract was approved in December of the same year.

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It undertook with determination the construction of the irrigation works; it continued with the subdivision of its lands and continued the sale thereof previously begun, and it built canals, installed structures, irrigated lands, its efforts always being of a constructive nature.

It has not been discouraged by revolutionary conditions; nor by constant insurrections, depredations, and outrages of the Yaqui Indians; nor by the absence of protection to its property, employees, and laborers; nor by pecuniary losses sustained by the uninterrupted destruction of supplies; and, above all, by the paralysis of its operations and the unproductiveness of the capital invested, as a consequence of the general insecurity in the country and especially in the district in which its irrigation works are situated. How might the company, even though it had desired so to do, have continued with the construction of its works when, apart from the menacing conditions, as stated, were added the repeated interruption of railway and telegraphic service, the lack of banking facilities, the instability of the money in circulation, the shortage of labor, the encountered difficulties on both sides of the frontier in the importation of machinery and supplies, the legislative enactments either menacing to or destructive of vested rights, and of more importance still, the unanswerable question as to when these evils should cease?

(*a*) The company has already invested more than 2,500,000 pesos of national gold in the construction of its irrigation system, which includes the temporary diversion dam, the intake gates at Los Hornos, 550 kilometers of main and lateral canals, 630 kilometers of wagon roads, 918 canal structures, and 150 bridges.

(*b*) The company has converted into irrigable agricultural land 17,720 hectares that previously were suitable only for grazing; it has subdivided more than 40,000 hectares, and of this area has sold more than 13,000 hectares to about 300 farmers in areas averaging 40 hectares each, in the improvement of which said purchasers have expended more than a million pesos; and in this way the company has solved, not theoretically, but practically, the greatest problem of Mexico—the subdivision of rural properties. Since the year 1911 the company has furnished water for the irrigation of 72,495 hectares of land, which is an average of 9,666 hectares per year.

(*c*) By considerable expenditure of time and money the company studied and compiled data relative to all the engineering problems concerning the storage, diversion, and distribution of the waters of the Yaqui River, and has prepared maps of the works necessary thereto, many of which have already been approved by that department.

(*d*) The company, at an expenditure of 160,000 pesos of Mexican national gold, has installed and maintained an agricultural experimental station and a demonstration farm, the results of which have been the improvement of many crops, the introduction of new crops, the increase of production, and the adoption of modern methods of cultivation; all of which has been set forth in bulletins printed in English and Spanish and gratuitously distributed.

(*e*) The company has reinvested in the Yaqui Valley all the money it has received from the sale of its lands and of water delivered through its canals, and has even invested additional capital, and has not distributed any dividends to its stockholders.

(*f*) After putting forth so much effort and making so many sacrifices, after overcoming so many obstacles and apparently impossible conditions capable of deterring anyone with less determination and good faith, instead of receiving encouragement and support from the Federal Government the company is met with a threat of forfeiture of its concession and the loss of its large amounts of money invested and all that has already been accomplished toward the betterment in one of the most important agricultural districts of the Republic of Mexico.

25. There is no reason either in fact or in law, nor even of a purely technical character, still less of equity to justify such a threat, and much less the carrying of it into effect.

We are at a loss to understand it, except by rumors that have come to our attention that the governor of the State of Sonora has insisted that, at all hazards, the concession be nullified. It appears that he sent a telegram to this effect to the President of the Republic, of which he advised the town councils of Cocorit and Bacum, and that he is attaining his purpose.

There is no doubt that these rumors are true, because Gen. Calles has shown ill will against the company in published official documents.

In his report to the Legislature of the State of Sonora of September 16, 1918, he makes the following impassioned statements:

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(*a*) That the company "frequently refuses to deliver water to the farmers, thereby causing the loss of a considerable portion of their crops." Not true.

(*b*) "That the company, protected by a concession granted by the former Dictatorial Government * * * has not complied with any of its obligations." Not true.

(*c*) That the company "has always deceived the Federal Government * * *." Not true.

(*d*) That he, the governor, invited the secretary of agriculture and fomento "to come personally to visit the Yaqui River to satisfy himself that the company has failed to comply with the terms of its concession, which has caused and is continuing to cause incalcuable damage to the richest district of the State, and to admire the ridiculous irrigation works undertaken by said company."

It is difficult to conceive of so much ill will on the part of a governor of a State toward a company that has scrupulously complied with all its obligations, that is desirous of being a benefactor to the district and to the country, and that is anxious to continue a work that is of utmost importance and benefit to the State of Sonora.

He ever refers to the Government existing on December 19, 1911, as a dictatorship.

He even affirms that the irrigation works of the company are ridiculous, when they have received the approval of the most eminent engineers of the world, and when men of the highest technical reputation, such as the engineer Roberto Gayol, have not hesitated to characterize them as of the highest order, as may be seen in the report made by Mr. Gayol September 18, 1912, for the caja de prestamos.

Furthermore, the proposed agrarian law of the State of Sonora involves a menace to the company, article 2 thereof being as follows:

"The supplying of water to settlements for the irrigation of land is declared to be of public utility, and therefore the Government, pursuant to investigations, shall propose to the Federal Government the nullification of water concessions granted prior to this law, if such concessions are detrimental to the people or if the water can be made to render greater service to a greater number of farmers."

27. In spite of the foregoing the company relies upon the right and justice of its cause.

The facts on which the company bases its defense, either appear in public documents or are a matter of public knowledge and, therefore, the company assumes that the department under your able direction will accept them as true. But if in connection with any of the aforesaid facts that department requires the presentation of further evidence, the company hopes that it will be so advised and that time will be granted for the filing of such evidence. The company, in view of the foregoing, and reserving such remedies as the law provides, respectfully requests that you hold that the said concession of August 18, 1911, and approved by the Federal Congress December 19, 1911, be not subject to forfeiture.

Los Angeles, Calif., February 1, 1919.

Respectfully submitted.

H. A. SIBBET.

As attorney in fact of the Richardson Construction Co. (Inc.), I hereby ratify, confirm, and reiterate the foregoing petition.

——— ———.

PROTEST OF YAQUI DELTA LAND & WATER CO. FILED WITH THE SECRETARY OF STATE OF THE UNITED STATES ON THE — DAY OF MAY, 1917, AGAINST CERTAIN ACTS THREATENED UNDER THE NEW CONSTITUTION OF MEXICO PROMULGATED MAY 1, 1917.

The SECRETARY OF STATE OF THE UNITED STATES,
Washington, D. C.

SIR: On behalf of the Yaqui Delta Land & Water Co., I desire to protest against the carrying into effect of certain articles or subdivisions thereof contained in the constitution of May 1, 1917, of the United Mexican States, in so far as they authorize the Government of the United Mexican States, or of the State government of Sonora, to deprive your protestant of rights to protection

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guaranteed by existing treaties between the said United Mexican States and the United States of America.

Your protestant is a corporation organized under the laws of the State of Delaware, by citizens of the United States, and composed exclusively, so far as known to your protestant, of such citizens. It owns the entire capital stock of the Cia. Constructora Richardson, S. A., a corporation organized and existing under the laws of Mexico, both of which said corporations were incorporated and organized long prior to the adoption of the said cnstitution of May 1, 1917, and under the protection and guaranties of the treaties then and now effective between the United States of America and the United Mexican States, and, particularly, to that clause of the treaty of amity, commerce, and navigation of April 5, 1831, which provides:

"ART. XIV. Both the contracting parties provide and engage to give their special protection to the persons and property of the citizens of each other, of all occupations, who may be in their territories, subject to the jurisdiction of the one or the other, transient or dwelling.

"ART. XV. The citizens of the United States of America residing in the United Mexican States shall enjoy in their houses, persons, and property the protection of the Government * * *."

Relying upon the guarantees aforesaid, Cia. Constructora Richardson, S. A., purchased from individual owners thereof from time to time certain tract or tracts of land located in the State of Sonora, in what is known as the Yaqui Valley, and also obtained from the Mexican Government certain rights to store and divert the waters of the Yaqui River contiguous to said lands, which said rights were duly confirmed and extended by the act of Congress of the United Mexican States, signed December 19, 1911, by the president, Francisco I. Madero, for all of which full consideration was given and paid by your protestant. These said lands are of little or no value as productive areas without irrigation, and your protestant in and by its contract with the said United Mexican States is under obligation to proceed with the project of bringing water to such lands and distributing the same to actual cultivators of the soil within a limit of time fixed in said contract.

In the prosecution of this project your protestant and its predecessor have expended, or caused to be expended, large sums of money, and have thereby fully maintained their obligations under the said contract with the Mexican Government, have opened up large parts of said tract for actual cultivation, and are preparing, when the political condition of Mexico is deemed to warrant the same, to prosecute the full project to a completion. In view of the foregoing situation your protestant respectfully brings to your attention Article XXVII of the said new constitution of Mexico, and protests that the embodiment of these provisions into law and the carrying of the same into operation will be in direct derogation of and destructive to your protestant's rights as guaranteed by the treaties aforesaid, particularly attention being called to the provision in said article which reads:

"Foreigners may not under any condition acquire direct ownership of lands and waters which are not distant at least 100 kilometers from the national boundary line or 50 kilometers from the coast line.

"Commercial corporations or stock companies may not acquire, possess, or administer agricultural lands.

"All contracts and concessions granted by former governments since 1876 which have tended to segregate in the hands of any individual or corporation lands, waters, or other natural riches are hereby declared revisable, and the executive of the nation is authorized to declare them null and void if they imply serious detriment to the public interest."

Other provisions of said article provide for the expropriation of lands in excess of an amount to be fixed by legislative action, compelling the owner to accept State bonds of a special debt, guaranteeing payment for the property expropriated in installments over a period of 20 years.

Your protestant, therefore, respectfully prays for protection at your hands of its treaty rights against the infraction and confiscatory provisions of the constitution aforesaid, or any laws enacted or purporting to be enacted by virtue thereof; further calling your attention to the fact that under certain alleged taxing decrees certain property of your protestant has already been carried off, and preparations are being made to divest your protestant of their rights, under the guise of tax legislation, confiscatory in its character, and, as your protestant believes, transient in its nature, and solely designed to bring about a transfer of your protestant's rights in the property and under the contract aforesaid to

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Mexicans or other nationals with whom the Mexican Government seems to be more friendly than with those of the United States of America.

Believing that only an earnest, prompt, and forcible protest on the part of the United States to the United Mexican States against the infraction under guise of the treaty rights aforesaid inherent in your protestant, will it be possible to check the confiscation and destruction of your protestant's property in Mexico, your protestant respectfully prays that such protest be made, and that it be given such other proteciton as the Government can afford.

Very respectfully,

——— ———.

LOS ANGELES, CALIF., *November 18, 1916.*

The SECRETARY OF STATE,
Washington, D. C.

DEAR SIR: I beg to call your attention to the following communications, recently received from Mr. John Davidson, British consul at Guaymas, Sonora, Mexico, relating to the subject of taxation:

The 9th instant, Mr. Davidson wrote as follows:

"*Taxes.*—A circular has just been published by the administrator de rentas, notifying all tax delinquents that unless taxes are immediately paid 'ley co-activa' will be applied without any further notice, in view of the Government's need of money."

Under date of the 11th instant, I received from him the following telegram:

"Administrador de rentas showed me telegram received to-day ordering him to exact deposit of assessed taxes from all companies in Rio Yaqui and he interprets it as referring to all foreign holdings. Otherwise, telegram says, ocurso will be desechado de plano and he is instructed to proceed according to law."

The information contained in these communications has a very grave significance to hundreds of Americans owning property in the Yaqui Valley, State of Sonora. The telegram means that the tax collectors are to demand immediate payment of taxes, that no petition or protest by property owners will be considered until the amount of the tax is deposited, and that if payment is not made immediately, proceedings will be instituted to sell the properties for taxes.

As has been communicated to you on sundry previous occasions, the taxes that the State government is attempting to levy are based upon official appraisements ordinarily from 400 to 1,000 per cent in excess of the actual market value of the lands, to which is applied a rate from eight-tenths of 1 per cent to 2 per cent, dependent upon the arbitrary ruling of the collector. At the present time, and for more than two years past, it has been impossible for the owners to realize any profits from their holdings due to the destruction of the railroads, the Yaqui Indian raids, and the general unsettled conditions. Any action taken by the State officials to enforce payment against the land will be in the nature of administrative proceedings, from which there is no recourse by appeal or otherwise and no period of redemption allowed.

You will observe that the tax collector understands his instructions from his superiors to be that he is to proceed only against foreigners. It is practically impossible for American property owners to pay this tax, as all they have is represented by their land investments and improvements thereon, from which they are unable to obtain any revenue or otherwise raise money to meet these onerous and unjust levies.

As president of the Compania Constructora Richardson, S. A., and of several other corporations owning land in the district referred to, I most earnestly request that the State Department interpose its good offices with the Government of Mexico to stay the proceedings referred to and to procure an equitable adjustment of this question of taxation.

Hundreds of other American citizens who have invested their money in good faith in the lands referred to and in making improvements thereon, and who are now practically deprived of the beneficial use thereof are as vitally affected by these new orders as I and my associates are.

Respectfully, yours,

W. E. RICHARDSON.

NEW YORK, *February 17, 1919.*

The SECRETARY OF STATE,
Washington, D. C.

SIR: On behalf of the Yaqui Delta Land & Water Co., a corporation of the State of Delaware, United States of America, all of whose stockholders are

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American citizens, and which, by ownership of all of the capital stock of the Compania Constructora Richardson, S. A., a Mexican corporation, owns a considerable body of land and improvements in the Yaqui Valley, State of Sonora, Mexico, I desire to call your attention to a proceeding instituted by the executive branch of the Mexican Government, having for its purpose the cancellation of a contract between said Compania Constructora Richardson, S. A., and the Mexican Government, entered into August 18, 1911. This contract—copy of which in inclosed—together with tariff and regulations pertinent thereto provides for the construction of an irrigation system by the Compania Constructora Richardson within certain stated time limits to irrigate said company's land and all other lands susceptible of irrigation in the Yaqui Valley; it provides also for the operation of said irrigation system by said company and for the subdivision and sale of said company's lands that are susceptible of irrigation. All land owned by said company was acquired by purchase mainly from private owners.

The Mexican Government, in notifying the company of the proposed cancellation, confines itself to stating broadly that the company has not complied with the obligations imposed upon it by certain stated articles of said contract, but does not state specifically wherein the company has failed to comply with said articles.

I inclose herewith copy of the Compania Constructora Richardson's defense to the proposed cancellation of its contract, which will be filed with the Mexican Government on or before the return day fixed, to wit, February 20, 1919.

Almost from the date of the contract conditions in Sonora have been most abnormal, because of the revolution and the numerous depredations of the Yaqui Indians in connection therewith. Because of these conditions the company, in April, 1912, acting under article 16 of the contract, applied for a suspension of the time limits on performance in said contract, and the Mexican Government in recognition of the conditions existing did, under date of August 9, 1912, in official document No. 1030, grant such suspension "until tranquility is restored to the State of Sonora and normal conditions again prevail in the region of the Yaqui Valley." That tranquility has not been restored, and that normal conditions do not prevail is abundantly established by the company's answer aforesaid, and formal recognition of this is shown by recent official utterances of Gov. Calles, of Sonora, quoted therein.

The Compania Constructora Richardson entered into the contract in absolute good faith, and notwithstanding the abnormal conditions and the privilege of suspending work, has continued compliance with its obligations as best it could. It has to date expended upwards of $1,250,000 in making extensive surveys and studies for the storage, diversion, and distribution of the waters of the Yaqui River and in the actual construction of its irrigation system, which to date comprises a temporary diversion dam and intake gates, 36 miles of main canal, 320 miles of laterals, 818 canal structures, 150 bridges, and 400 miles of wagon roads. It has converted from grazing to cultivable land 44,300 acres, and has subdivided and sold over 32,000 acres of its own land to about 300 actual settlers, an average of about 100 acres each.

Since entering the contract in question the company has continued at a loss to operate its irrigation system to the limit of capacity, and has during this period furnished water for the irrigation of 181,237 acres of land, an average of 24,165 per year.

It has, at an expenditure of over $80,000, installed and maintained an agricultural experiment station, the results of which have been published in bulletins, printed in English and Spanish, and gratuitously distributed.

In addition to its investment of subscribed and borrowed capital, it has reinvested all the money received from the sale of its lands and from water delivered through its canals. It has paid no dividends on its stock, and no interest on its investment.

A careful and unbiased scrutiny of the company's history leads to the inevitable conclusion that no grounds, either substantial or technical, legal or equitable, justify a cancellation of its contract, but it is commonly known through Sonora that the governor of that State, Gen. P. Elias Calles (whose attempts to divest all property from foreigners in Sonora, through drastic tax decrees are already familiar to your department), is bitterly opposed to the Compania Constructora Richardson, and we have evidence that the Mexican Government was moved to this procedure of cancellation by certain recommendations of Gov. Calles, which, being quite consistent with the national policy of

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confiscation, were promptly approved and acted upon. I am informed upon reliable authority from Mexico City that the case is already predetermined, and unless there is prompt and vigorous diplomatic interference by the United States, the Federal Government of Mexico will disregard any defense of the company and will cancel the contract on or very soon after February 20, 1919, when the proceeding is returnable.

Therefore, on behalf of the stockholders of the Yaqui Delta Land & Water Co., all of whom are American citizens whose property is threatened with destruction, I most earnestly request that you interpose a strong protest to Mexico against its proposed action, and that you take such further and other steps as you may deem wise to prevent this most flagrant violation of the rights of American citizens in Mexico.

Very respectfully, yours,

FREDERIC N. WATRISS, *President.*

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INVESTIGATION OF MEXICAN AFFAIRS.

THURSDAY, SEPTEMBER 18, 1919.

UNITED STATES SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON FOREIGN RELATIONS,
Washington, D. C.

The subcommittee met pursuant to adjournment, at 11.50 o'clock a. m., in room 201, Senate Office Building, Senator Albert B. Fall presiding.

Present: Senators Fall (chairman) and Brandegee.

The CHAIRMAN. Two or three witnesses who were expected to be here this morning will not be able to attend until to-morrow morning. While there are other witnesses whose testimony could be taken, it would not be in line with the present investigation, and we desire to close up on this line. For that reason, the subcommittee will stand adjourned until to-morrow morning at 11 o'clock.

(Thereupon, an adjournment was taken until to-morrow, Friday, September 19, 1919, at 11 o'clock a. m.)

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INVESTIGATION OF MEXICAN AFFAIRS.

FRIDAY, SEPTEMBER 19, 1919.

UNITED STATES SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON FOREIGN RELATIONS,
Washington, D. C.

The subcommittee met pursuant to adjournment, at 11.05 o'clock a. m., in Room 201, Senate Office Building. Senator Albert B. Fall, presiding.

Present: Senators Fall (chairman) and Brandegee.

The CHAIRMAN. I am requested by the other members of the committee to count them for a quorum, and announce that one at least will be in later.

We may proceed with the hearing.

TESTIMONY OF DR. HENRY ALLEN TUPPER.

(The witness was duly sworn by the chairman.)

The CHAIRMAN. Doctor, will you kindly state your name, occupation, and residence for the record.

Dr. TUPPER. My name is Henry Allen Tupper; I am the pastor of the First Baptist Church, Sixteenth and O Streets, Washington, D. C. My residence is Richmond Hotel, Seventeenth and H Streets, Washington, D. C.

The CHAIRMAN. Doctor, you understand that this hearing is being held under authority of a resolution passed by the Senate—

Dr. TUPPER. I do, sir.

The CHAIRMAN. Instructing this committee to inquire into Mexican affairs generally, certain phases specifically, and to report to the Senate. Have you a statement that you desire to make, Doctor?

Dr. TUPPER. Senator Fall and gentlemen——

The CHAIRMAN. You may keep you seat if you prefer, Doctor. Just remain seated.

Dr. TUPPER. Allow me to express my appreciation of your courtesy in granting me the privilege of appearing before your committee, and I hope, sir, that I shall not presume upon this courtesy in an initial statement that I shall now make which may throw light upon my activities in connection with the present government in Mexico.

May I preface what I have to say with the remark that my statements this morning will be not a matter of memory or of opinion or of inference, but they will be based altogether upon documentary evidence that I have before me here, and I am sure that you desire, as you should desire, all the illumination you possibly can get upon this very important question.

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My interest in Mexico extends through the years. About 30 years ago, as a young man, I went to Mexico City and met that remarkable man, President Diaz, and I may say one of the most remarkable men I ever met.

In taking rather superficial notice of the affairs of Mexico at that time, I was impressed that while President Diaz did much for the material development of Mexico and the Mexican resources, there was not a proportionate interest taken in the education of the great masses of the people, and especially of the lower classes.

There semed to be at that time two clearly defined classes in Mexico, the very rich and the very poor.

Senator BRANDEGEE. What time was this, Doctor?

Dr. TUPPER. This was about 30 years ago, sir.

Senator BRANDEGEE. Do you remember the year?

Dr. TUPPER. It was in, I think, the later eighties, if I recall. I cannot give you the exact date.

Senator BRANDEGEE. I thought perhaps your documents show.

Dr. TUPPER. No; I have not that record here.

May I proceed? I found these two classes there, the very rich and the very poor, the learned and the refined, largely the influence of foreigners or foreign lands, and the very poor, and the very ignorant and degraded.

The line between the two classes seemed to be rather thin, indeed, quite thin.

I returned to America. I immediately saw my father, who was at that time the corresponding secretary of the foreign missionary board at the head of our foreign missions of the Southern Baptist convention, and I talked to him about this matter, and his board had missions and educational institutions throughout the country, and I tried to quicken an interest in the education of the people of Mexico, and did all I could practically in that line.

I had an opportunity to make an attempt at the pacification of this country and for the development of the educational interests of the country in the summer of 1912. At that time Madero was President and Orosco—Pascual Orosco—was fighting against him.

By invitation and under the commission of the International Peace Forum I went to El Paso and with a friend I crossed the international bridge and in the customhouse I had my first interview with Pascual Orosco; the second day another one. After several interviews he gave me a document of 3,000 words, the original of which I have in my hand, laying before me what his purposes were and, as he expressed it, a basis of peace with Madero.

I returned to America, and during my work as pastor of the Calvary Baptist Church I tried to keep in touch with the Mexican situation.

In the month of February, 1913, I started for Mexico City with this declaration of Orosco, hoping that an interview with President Madero would bring about some practical results.

I arrived in El Paso on the 22d day of February, 1913, and on that day I lectured on Washington's birthday; and as I left the platform a telegram was handed me stating that President Madero was dead.

I continued my travels and went as far as Chihuahua as I had friends there in the foreigners' club, and through those friends in

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the club I received some very interesting and helpful information. Then I continued on down as far as Santa Rosalia and found I could not go any further because the roads were being destroyed and so on, and I returned.

On my return I kept in touch with the situation as far as I could, and in the spring, the late spring of 1913, I went through San Antonio to Eagle Pass and over to Piedras Negras and met Mr. Carranza for the first time.

Mr. Carranza was not at all receptive of what I said at first, and I left, and he asked me to return the next day. I did so, and he seemed to be more receptive and more responsive and gave me a declaration of his purposes and I have that, the original, before me on the table. I took that with me to America. I showed it to some of my friends who went over it, and then from that time on I pursued my work quietly without any remuneration at all.

I had given up my pastorate at the time, and I met Mr. Carranza—I will skip over some things. I met him on the border several times, talked with him and he seemed to be quite familiar with the purposes of my work. Gentlemen, I tried to impress upon Mr. Carranza three things: The wisdom of encouraging friendship between the Mexican Government and our Government; and the second thing I tried to impress upon him was this: The necessity by all means of protecting the persons and property of American citizens in Mexico, and the third was, I encouraged him to allow me to talk about an educational system that I hoped to develop in his country and bring about a blessing in that way.

Now he listened to me, gentlemen, very quietly and would speak very few words, but seemed to be somewhat responsive, and he impressed me as a man of sincerity, and certainly a man of intelligence.

After that interview I was in Nogales and met him there, my daughter accompanying me to Nogales. We were there some months. I met him on the other side of the line and we had conferences in reference to especially educational matters.

He said to me, "Dr. Tupper, if we can have peace in this country I will state to you that I will do all I can by preparation and my influence to develop the educational interests of this country." And we talked along that line.

And then after—well, during that visit at Nogales—I think it was at Nogales—he sent his secretary to me with this proposition, that he would be pleased to show some substantial evidence of his appreciation of my work. I answered that my object in coming to Mexico was to help Mexico, especially to bring about a better relation between the countries, and so on, and secure property and persons, and also help in educational matters, and I declined most positively, as I did on several other occasions afterwards, to receive any remuneration at all for my services.

I next met Mr. Carranza, as far as my memory goes—as far as these documents show—at Saltillo, Mexico. I was anxious to meet him there for several reasons. Through the influence of my father, and personally by my father, that large school had been built there for Mexican girls. My father went down and dedicated that school, under his board, and my sister was a teacher there for a long time.

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I found that the teachers had been dismissed from the school and the large school had been turned into a livery stable.

The CHAIRMAN. One moment. Let us get the dates. When was that school established?

Dr. TUPPER. That school was established, sir, I think it was in the early eighties, if I recall. I think it was in the eighties. My father was corresponding secretary of the foreign missions board, H. H. Tupper.

The CHAIRMAN. And when was this trip that you made, when you met Carranza at Saltillo?

Dr. TUPPER. I think it was in 1914. That is my impression. Well, it was turned back through my influence—I won't say my influence, but I urged it, and it was cleaned up and turned back, and is now a school, I think for Mexican girls. I was there about two weeks, I think, with him. The night before I left he asked me to call at the palace. I went to the palace, and after we talked for a while he arose and had his secretary to put on the table—and I state these things in order to throw light on the subject—he placed on the table three plush boxes, and with a formal speech asked me to receive the contents—and my daughter—carry the contents to her in New York as evidence of his felicitation and his appreciation, and so on. I, of course, received it as a gentleman. I took the boxes to my hotel and opened them. One box contained a very handsome gold watch, beautifully engraved; the other contained a fob for the watch, and I have this in my hand—that will be your evidence of it—[exhibiting watch and fob] engraved "V. Carranza al Dr. Henry Allen Tupper," and so on, and the other side, "H. A. T.," raised in platinum—a very beautiful thing.

In the third box was a wrist watch engraved for my oldest daughter, who had accompanied me twice to Mexico and knew Carranza very well.

Up to that time that was the only thing I had received from Carranza—these gifts.

I returned to America and then I came on to Vera Cruz with my daughter. I think that was soon after, perhaps, that visit to Saltillo. I know it was. My daughter took him, I know, a little token of her appreciation of his gift, and so on.

We went to Vera Cruz. After being there a short time we went up to Mexico City. My daughter and I remained there for, I think, some seven or eight months. That was the winter of 1914. I kept house with her, and we did all we could to help matters—that is, in schools—and talked with them, and so on, and so on.

At that time, as you gentlemen know, and certainly Senator Fall knows, the city was in a terrible condition. Provisions could not get into the city and a great many people were in great distress.

I received a letter from the secretary of the Y. M. C. A. That letter, the original of which I have here on the table, asked me for the benefit of the foreigners in the city to see Gen. Obregon, who was there in the city. It was reported that he was not living, but he was living and in the city, and I knew it. And knowing I knew Carranza and Obregon they asked me to act, not exactly as an intermediary but to see him and to bring messages to the public outside.

I sent that letter signed by the Y. M. C. A. secretary to Gen. Obregon. He sent one of his suite to my hotel, Geneve, asking me to come that

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afternoon at 3 o'clock. That commenced a connection. I called to see him two or three times and talked about provisions, and also a great many people were going to the penitentiary who I thought should not go to the penitentiary, and I asked their pardon through the general.

And then I left my daughter and came into the States again in order to see where I could possibly create an interest in these matters that were on my mind.

I went, I think, at that time—I think it was that time, but possibly earlier—to Phoenix, Ariz., at the invitation of Gov. Hunt, and at Phoenix, Ariz., I went with Gov. Hunt about 10 miles out and held a conference with Gov. Hunt and the Vice President of the United States, Mr. Marshall, who at that time was visiting the home of his mother-in-law near Phoenix. We spent one whole afternoon going over the situation with suggestions, and so on.

Mark you, gentlemen, during all this time I received letters from different ones. Those letters are on the table. It is hardly necessary for me to quote them—from persons all over America, educational institutions, and so on. And then after that conference I returned to Washington and to New York, and then I went again to Vera Cruz, accompanied by some American gentlemen, and at Vera Cruz we talked about the interests of Mexico; and I went with several gentlemen on a rather perilous trip to Mexico City. The train ahead of us was blown up and a great many people were killed. Of course, our train was guarded by soldiers, and so on.

We got to Mexico City and gave a message to Pablo Gonzalez, then in charge of Mexico City.

The CHAIRMAN. Where was Carranza at that time?

Dr. TUPPER. At Mexico City.

The CHAIRMAN. Where was he in 1914?

Dr. TUPPER. He was at Vera Cruz, then, a part of the time.

The CHAIRMAN. That is while you were in the city of Mexico?

Dr. TUPPER. Yes, sir. And I might say there in connection with that, while I was in Mexico City with my daughter there came in the Carranza troops, as you know, and they evacuated; and Villa troops, and they evacuated; and the Zapata troops, and they evacuated; and then afterwards Obregon controlled the city. At that time Mr. Carranza was at Vera Cruz.

On this last trip to Vera Cruz that I am speaking of I met Mr. Carranza, of course, and went up to see Pablo Gonzales, and then the day I arrived I left Mexico City because they said they were going to evacuate, and I went back to Vera Cruz.

Now, we come to a point of interest, I think, after these remarks. After I arrived at Vera Cruz I was there alone; my daughter was not with me at that time. There were there several gentlemen, among them Judge Charles A. Douglas, who was the attorney for the Mexican Government, as far as I was informed, and he said to me, "Dr. Tupper, as you have refused positively to receive remuneration from the Mexican Government for your services for this long time it is only right that you should allow our Mexican friends to pay your actual expenses during these years," and at the suggestion of Judge Douglas, after he had left the city, I called on and saw Gen. Carranza and in that conference this matter of Mr. Douglas's letter

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came up and he said, "Dr. Tupper—" these are the words he used, "You have not allowed me to show you in these years any appreciation for your services except the little gifts that I presented to you in Saltillo, you and your daughter, and now if you will make out an itemized statement of your expenses running through these years I want to cover at least your expenses."

At that suggestion—the suggestion first of Douglas and then after talking with Carranza—I made out a careful, itemized statement, week by week, month by month, of my expenses from the spring, it was, of 1913, to the summer of 1915. It averaged, I think, less than about $3 a day. And Mr. Carranza covered those expenses, and the check that has been brought in evidence in this investigation, gentlemen, evidently—I would like to see it and I can tell you whether it is my name on it or not—evidently it had reference to that payment, because he did pay me in a check, I recall. I think it was cashed in New York somewhere. And it was not exactly $3,400, because there was a fraction, I remember. And that covered, as I stated a moment ago, my actual—my exact and only—covered exactly and only the expense of these years, and I received it.

Since that time I continued my work without any promise or any expectation of any remuneration, and I have not received any because I did not expect any.

Now, that may illuminate a subject which does seem to need illumination in the minds of some, and I have the documentary proof here. I have Douglas's letter, the original—or a copy of it, and so on, and so on, the whole thing laid out here. It is not a question of my memory and my record, but it is a record here originally in these letters written and so on, and so on.

Now, right here, gentlemen, may I say something I think it is only right to say? I understand that in this investigation my name has been associated with Dr. David Starr Jordan. I desire to say most positively I do not know Dr. Jordan. I have never seen Dr. Jordan but once—I have never seen Dr. Jordan but once, and that was, I think, at a luncheon in New York City. I have never spoken a word to Dr. Jordan in my life. I have never been directly or indirectly connected with any of the activities in which Dr. Jordan has been associated, and I want that distinctly understood. I think it is only right to Dr. Jordan and myself that that statement should be made.

And then, in connection with that statement, the statement was also made that I was opposed to following Villa after his raid in New Mexico. I was many, many miles away from that at the time. I not only did not oppose that, but, on the other hand, I will say here I do not possibly see how we could have done otherwise, and I wish we had caught him. That is the only thing that I regret about that matter.

Now, another matter. I have been in these years, covering quite a number of years, 14 times into Mexico, 12 times to see Mr. Carranza or his associates. I have mingled with business men, miners, cattle men, oil men, men of large affairs, and most of them Americans, and I want to say here before you, gentlemen, that in all of my experience of thirty-odd years in public life I have never met abler and more bright business men than the American business men in Mexico, and I also want to state this very positively, that at no time by word

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or by deed have they ever shown me that they were interested in anything—they have never shown me by word or deed that they were not interested in the welfare of Mexicans and of Mexico. They are the smartest and some of the most intelligent business men I ever met. I can give you some of the names—splendid men. They were there, of course, to add to their wealth, but during the activities—and I saw them and I talked with them in the clubs and other places—all the time they were working for, directly or indirectly, the welfare of Mexico. And I have known some to make great sacrifices and go through great difficulties in order to do that.

I think it is only right, gentlemen, for me to make that statement, and I make it simply because people think because I was working with Carranza and was in conference with him at one time I am against those men. Not at all.

My second visit down there I received a beautiful letter from Cardinal Gibbons, of Baltimore, of the Catholic Church. He knew I was a Baptist minister and yet he sent me this beautiful letter. A copy is right here—a beautiful letter expressing his gratification that I was going to Mexico, and so on. A very beautiful letter that I received from Cardinal Gibbons, the head of the Catholic Church, to show you I was not limited to any class or any creed in my work.

At El Paso, Tex., I met a gentleman whom your chairman knows very well, a splendid man, Gen. Luis Terrazas, the very antipodes of Carranza. He sent for me. His son was in jeopardy in Chihuahua. Villa had threatened to execute him. He sent for me and asked me to help him.

What did I do? I immediately wired Mr. Bryan, then Secretary of State, and also saw Mr. Carranza for him, and insisted he should not be executed, and had the execution that was to take place postponed, until after awhile, as you know, young Terrazas, or Terrazas, jr., escaped from Chihuahua, and, as far as I know, is living now.

I make these statements to show I tried not to be—I might have been—but I tried not to be narrow or contracted in my sympathy or my work in Mexico. It was not for the Carrancistas or anything of the kind. I was helping Mexico, and some of my best friends in America to-day are persons who opposed me along that line, but we were always friendly, and I got a great deal of information from them.

And now I want to say a final word in answer to this question that has been asked again and again, and I want to answer it to this committee—over and over again, because I knew a little bit about Mexico—not so much as people thought, because the more and more I studied Mexico, gentlemen, the more mysterious Mexico became. After I first paid my visit there I lectured on Mexico. The second time I paid a visit there I stopped lecturing on Mexico because I saw many angles to the situation.

My work has not brought the fruit I hoped it would. I established this educational system and thought in after years I would have something to do with the furthering of that educational system—perhaps not be the head of it, but have a voice in developing it like the public schools in America, and I started with a little kindergarten and worked up through the schools to the University of Mexico, and laid the program before people down there. The ques-

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tion has been asked me what do I think of intervention? I want to say, gentlemen, it has been and is my position that intervention should be the last of last resorts. If the last resort comes we can do nothing else. But I have hoped and I still hope that there is a better solution to this troublesome problem.

I thank you, Mr. Chairman, for your kindness and your patience in listening to me in this statement, and may I close by the request that the documentary evidence that I place upon the table may be incorporated in the body of the minutes of this investigation for, perhaps, for future reference, and you will find here the original and also the copies of all of these things I referred to, and among others, for instance, I have not referred to the beautiful letter from the President of the United States and a number of letters from Mr. Bryan, who was Secretary of State, and three or four remarkably beautiful letters from your colleague in the Senate, Senator Morris Sheppard, and from others, commending me for my work, and one letter I especially appreciate, a letter from the executive vice president of the International Peace Forum in which he says, "Dr. Tupper, you received nothing from the International Peace Forum for your work; we have given you no salary at all, and no one can think of your work except on the basis of philanthropy." That letter is here.

All these letters are here. It is not a question of memory. They are all before you. It would take hours and hours to go through them. I commence here, one, two, three. The first is my appointment and then the roster right straight through.

I might call attention to some of the items. There is the first letter from Carranza.

Senator BRANDEGEE. Doctor, one moment. You have there in front of you in that filing case quite a number of letters. Do you ask that all of those go in?

Dr. TUPPER. Senator, I hardly think it necessary for all of them to go in. I am going to put them in pamphlet form, because I want my record in this matter to be given to the world. But that would be an imposition, it seems to me, to put them all in.

Senator BRANDEGEE. The file there looks to me as though there might be 100 or more.

Dr. TUPPER. No, sir; only about 35 or 40.

Senator BRANDEGEE. Altogether?

Dr. TUPPER. Yes; altogether.

Senator BRANDEGEE. Now will you indicate which of them you would like to have go in.

Dr. TUPPER. Very glad to do so. There is that letter from Cardinal Gibbons. There is the original, you see.

Senator BRANDEGEE. That is one.

Dr. TUPPER. Yes, sir.

Senator BRANDEGEE. Now what is the second one?

Dr. TUPPER. I would like, for instance, to have the first one, my appointment as commissioner. Of course, that document from Mr. Orosco, that covers 3,000 words. And nothing of that sort, of course, would be expected.

The CHAIRMAN. Orosco at that time was in supposed revolution against Madero?

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Dr. TUPPER. Yes, sir.

The CHAIRMAN. And in control of the State of Chihuahua when you met him?

Dr. TUPPER. Yes, sir; I met him at Juarez. Now there is the original of that letter. There is the signature, you see that. And that is just simply as a record.

There is the first letter of Carranza. It is not necessary to put in that because I have not had a chance to have that translated. There is the first letter.

The CHAIRMAN. From Carranza, you say?

Dr. TUPPER. Yes, sir.

The CHAIRMAN. You can put that in if you desire. We have a translator here.

(Letter to which reference is made, dated May 15, will be found translated in "Tupper Appendix A.")

Dr. TUPPER. There is a letter from Cardinal Gibbons. I would like to have that go in. And there is a telegram from Mr. Bryan:

I beg to acknowledge receipt of your letter of April 24 from New York—

This is dated May 14, 1913—

from New York, and to express my interest in the efforts you are making in behalf of peace in Mexico.

I am, sir, your obedient servant,

W. J. BRYAN.

There is the original.

There is the statement of the El Paso Chamber of Commerce, the signatures of the gentlemen doubtless known by Senator Fall, all his friends, in which they give me a most interesting and gratifying set of resolutions, and so on.

There is a letter from Gonzez Gaza, in which he sends a very long statement that was made by some 30 of these Carrancistas expressing their interest in my work, and so on, and so on. That is hardly necessary to put in. It is a very large affair, but can be put in if desired.

Here is a very fine letter from Senator Sheppard, in which he says:

WASHINGTON, D. C., *October 28, 1913.*

Dr. HENRY ALLEN TUPPER,
Montezuma Hotel, Nogales, Ariz.:

Please convey to Gen. Carranza my most earnest wish for the success of the sacred cause he represents. His name will rank among the immortal defenders of human liberty in fighting for the rights of the Mexican masses. He and his associates and followers have won the sympathy and admiration of all the world.

MORRIS SHEPPARD,
United States Senator from Texas.

I congratulate myself that I am indorsed by one of the distinguished Members of such a body as the United States Senate.

The CHAIRMAN. You can put that in.

Dr. TUPPER. Yes, sir; I would be very glad to have that in.

There is a letter from the president of the International Peace Forum:

Allow me to present—

This is sent to Hon. Joseph R. Lamar, justice of the Supreme Court, Niagara Springs, and signed by the president, introducing me.

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The CHAIRMAN. If you desire to put that in the record, it may be done, and the stenographer need not take it down.

Dr. TUPPER. Yes, sir.

(The letter above referred to will be found in "Tupper, Appendix A," at the end of to-day's proceedings.)

Dr. TUPPER. There are these letters and three other letters from the International Peace Forum. They are most too flattering for me to read. One of them says:

Personally, and in the name of the International Peace Forum, I desire to congratulate you on the intelligence, patience, and diplomacy shown in your work as our special peace commissioner in connection with the Mexican situation. Results that have already been accomplished through your negotiations can not be estimated in their beneficent influences; but these only prepare the way for larger accomplishments.

(The letters referred to will be found printed in full in "Tupper, Appendix A.")

Dr. TUPPER. That is from the president of the International Peace Forum.

Senator BRANDEGEE. What is the name of the president?

Dr. TUPPER. The president was Mr. Hill at that time, sir.

Senator BRANDEGEE. Which Hill?

Dr. TUPPER. John Wesley Hill, I think he was.

Senator BRANDEGEE. And who was the vice president?

Dr. TUPPER. I will give you his name. The vice president was Mr. Hunsberger and the secretary was Mr. Carter. I want to read that letter, if you will allow me. And there is a letter from—you know the man—Zeferino Dominguez. That is not necessary to put in.

Here is a letter from the secretary of the International Peace Forum, dater February 6, 1914:

As you are leaving us again to-morrow, on your fifth trip to Mexico, as our special peace commissioner, I want to say a few words of appreciation of your work before you go, as I may not see you in the morning.

I know I am speaking for all the officers—

You gentlemen know who the officers were. You unquestionably know the honorary president.

I am speaking for all the officers when I say that one and all appreciate the ability, the tact, and careful diplomacy with which you have conducted your work as our special peace commissioner in the interest of bringing about a speedy settlement of the difficulties in Mexico. Your care in getting definite details from both sides, your willingness to face difficulty and even personal danger in consulting with both sides, the esteem with which both parties in the conflict have held you, as shown by their desire to have you with them in their campaigns, have indicated to us the openmindedness with which you have set about your task.

I am writing personally, as secretary, of course, but as I have talked with the other officers, I know that I can say as much as I have for them all. Let me add just this one word further for myself, and that is that it rejoices me to know from the letters you have had from Senators and Congressmen in Washington, as well as from the leaders of the forces in Mexico, that your work for international peace has been recognized so fully and so freely, and I feel that you have conferred distinguished honor upon our international peace forum, by representing us in the field.

The CHAIRMAN. You had better file that.

(The full text of the above letter will be found in "Tupper, Appendix A," at the end of this day's proceedings.)

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Dr. TUPPER. When I came from Mexico the last time I received a letter—I tried to find it—from one of our representative business men of the city—you all know him. He said, "Dr. Tupper, you leave Mexico with scores and scores of friends and not a single enemy."

I tried to magnify good and lessen evil. I made mistakes, of course. None of us are infallible. But I tried my best to help all parties. I was not for any special one.

Here is this letter from Luis Terrazas, your friend. It is dated, Senator, April 3, 1914. I will read it if I may.

MY DEAR DOCTOR AND KIND FRIEND: Before you leave this city I take special pleasure in expressing my everlasting sense of gratitude to you for all the kind offices you have rendered on behalf of my son's life and liberty.

You have certainly been commissioned by a higher power than that of this world, fitting you as the essence of a true humanitarian. Your services, more than anything else, are living proof of the value of the International Peace Forum, which you so ably represent and which is at this time headed by no less eminent a statesman and personality than Hon. William H. Taft, ex-President of the United States.

Please bear in mind, my dear friend, that I will ever harbor the deepest sense of gratitude to you, joined by all my family and friends, and I wish you to do me the kindness to convey my deep and sincere feeling of gratitude to the noble institution that you so ably represent, and especially to present to Hon. Woodrow Wilson, Hon. William H. Taft, and Hon. William J. Bryan my deepest sense of gratitude for the kindness they have extended to me and my family on behalf of my son's life and the restoration of his liberty.

Wishing you the highest measure of success in all that you undertake, believe,

Very sincerely, yours,

LUIS TERRAZAS.

It was very much like the old man.

I tell you, gentlemen, when you find a Mexican or Spanish gentleman you find one who is a gentlemen, who has the highest culture. I was very much pleased with that.

Here is a long letter written to myself—by Mr. Carranza to me, and a note sending it to Mr. Secretary Bryan, in which I state—this is August 19, 1914:

Hon. WILLIAM JENNINGS BRYAN,
Secretary of State, Washington, D. C.

MY DEAR MR. SECRETARY: In response to your request of last Sunday, I am writing you in reference to my pleasant relationship with Gen. Carranza. On my return to New York from Washington I found in my mail, a letter from Gen. Carranza, which I herewith inclose, and a translation of which is as follows:

I have that. This is a rather remarkable letter.

MY ESTEEMED AND FINE FRIEND: I refer to your favor of July 22, which I read with attention, and I beg to advise you that it would cause me positive pleasure to be able to shake your hand in the capital of the Republic—

And so on and so on—oh, just stuff, and thanks and appreciation, and so on; and there is a lot of that.

Senator, shall I file it?

The CHAIRMAN. Yes; you may file them.

All these letters may possibly not be printed in the report of the hearing, but they will be in the final report.

(The full text of the above referred to letter will be found in "Tupper, Appendix A," at the end of this day's proceedings.)

Dr. TUPPER. "Rev. Henry Allen Tupper"—this is from the executive vice president of the International Peace Forum, Mr. Hunsberger.

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I very much regret my inability, before leaving for the West on my lecture tour, to have a conference with you concerning the Mexican situation, in which I am, like yourself, so intensely interested.

As the executive vice president of the International Peace Forum, I desire in my own behalf and in behalf of my colleagues, to express sincere appreciation for splendid services you have rendered, as our representative, to Mexico and the world, in the last two years—

This was June 13, 1914—

in your efforts to bring about peace in our neighboring Republic.

I recognize the fact that you have received no compensation—

Now, mark you, the fact is the executive secretary had charge of the whole thing. I am glad this thing is in black and white, because there are some people in the world—not in this room—but there are some people in the world who never get their eyes above dirt. It is money, money, money all the time. And they ask "Dr. Tupper, why did you do this thing?" I tell them because I hoped to establish an educational system down there with which I might in the future have some connection.

I recognize the fact that you have received no compensation for your great work, except the consciousness of duty done, as now your hopes, as well as ours, are being realized, as to the final success of the constitutionalists. As our institution is a benevolent institution, and I have received little or nothing for my services, I can fully sympathize with you, from financial as well as other points of view.

As I will not be able to see you before you start for Torreon to accompany President Carranza, as I trust in his successful endeavor to reach Mexico City, I wish to assure you again, as I have frequently done in the past, that I am deeply interested in the continued success of your mission for peace, and especially interested, having been an educator in the public schools and colleges for so many years, in the proposal of yourself as well as President Carranza, after the constitutionalist government has been set up, to establish and organize an educational system, the benefits of which are to be shared by all of the Mexican people.

That touches the milk in the coconut. That is the heart of the whole thing.

I would like to have you, please, to have that among the letters.

The CHAIRMAN. Yes.

(The full text of the above letter will be found in "Tupper, Appendix A," at the end of this day's proceedings.)

Dr. TUPPER. Here is a letter from Senator Sheppard, May 16, 1914:

MY DEAR SIR: I am in receipt of your letter of May 15, which I have read with great interest and appreciation. I have long been well aware of the peculiar qualifications of Dr. Henry Allen Tupper as a peace envoy—

It is just a complimentary letter to the president of the International Peace Forum about me.

And here is a beautiful telegram from the President of the United States, President Wilson—no, it is a letter:

THE WHITE HOUSE,
Washington, July 24, 1916.

MY DEAR MR. TUPPER: I warmly appreciate your kind letter of July 22 about the Mexican policy. It cheers and reassures me.

Cordially and sincerely, yours,

WOODROW WILSON.

And I may say it is rather—it is not following the usual custom. He signs his own name there. Not signed by Tumulty or any one else. May I put that in?

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The CHAIRMAN. Certainly.

Dr. TUPPER. Here is a letter I would like to have you have translated. Here is a letter from the Y. M. C. A. asking me to act as a medium, helping the people, irrespective of creed and condition, and a letter from Gen. Obregon, the original. I will put that in, if the Senator will kindly have the translation made. I would be much obliged if you would.

(A translation of the above letters will be found printed in full in "Tupper, Appendix A," at the end of this day's proceedings.)

Dr. TUPPER: There is another, from Senator Sheppard.

MY DEAR DR. TUPPER: I have your letter of May 5. In the same mail I received the inclosed letter from Secretary Bryan, which explains itself.

I note that you will probably visit Torreon the latter part of this month.

With every good wish, I am,

Yours, very truly,

MORRIS SHEPPARD.

Then he inclosed a letter from Mr. Bryan, just a well-wishing letter:

I have the honor to acknowledge, with thanks, the receipt of your letter of April 11, 1914, with which you inclose a copy of a letter, dated Cuidad Juarez, April 3, addressed to Dr. Henry Allen Tupper by Gen. Venustiano Carranza, relative to the Mexican situation.

I have the honor to be, sir,

Your obedient servant,

W. J. BRYAN.

There is a letter that I referred to from Judge Charles A. Douglas. I would like to read that, gentlemen.

The CHAIRMAN. Very well, proceed.

Dr. TUPPER. I went to see Judge Douglas to show him this letter before I came over. He is now in Mexico, I understand, and I could not see him.

VERA CRUZ, *July 22, 1915.*

DR. HENRY ALLEN TUPPER, *City.*

MY DEAR DOCTOR: Confirming my several conversations on the subject of your own movements, let me say that in view of the fact that both Gov. Metcalfe and I are going to Washington, I think it would be well for you to remain here for the present. You know conditions both here and in Washington, and I have no doubt that you will be of greater service at this time here than at Washington. I suggest that you have an early conference with Gen. Carranza so as to be in best situation possible to help.

Since I have known you, now more than eight months, you have worked ably, efficiently, constantly for the cause of the revolution.

And I understand that you have so labored for now nearly two years in various parts of the United States.

You certainly deserve the highest commendation and appreciations.

If you are not expecting compensation, certainly you ought to permit our friends to pay your expenses.

I am, with assurances of my sincere esteem,

Your friend,

CHAS. A. DOUGLAS.

There is that letter.

The CHAIRMAN. You can file that, sir.

Dr. TUPPER. Now, I told you about my interests in Madero Institute, and how I got it back under Mexican education. I received this, Saltillo, September 29, 1914.

The CHAIRMAN. You say it was turned back? That had been turned into a livery stable, had it not?

Dr. TUPPER. It was through Carranza's influence it was done.

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The CHAIRMAN. Who turned it into a livery stable?

Dr. TUPPER. It was done by the revolutionary crowd. I do not know just who it was.

The CHAIRMAN. They were fighting with Carranza, were they not?

Dr. TUPPER. No; not at that time. But you hardly knew with whom people were fighting at that time. But, anyhow, this school was taken in the exigencies of the war, these girls were dismissed, and it was turned into a stable, and horses were stalled in the very room where my sister taught these girls, and I felt rather a personal interest in it, as my father had dedicated it.

The CHAIRMAN. Was that at the time Mr. Silliman was arrested?

Dr. TUPPER. I think that was after, sir.

Now, here is a letter from Judge Douglas, rather later:

SOUTHERN BUILDING, SUITE 822-830,
Washington, D. C., October 30, 1915.

MY DEAR DOCTOR: It seems to me—

Now, this is just when Carranza was recognized. It must have been.

It seems to me that it is in order to exchange with you felicitations over the signal victory won in the recognition of Gen. Carranza by the United States and other leading American countries. Of course, this was a fight not only to obtain the recognition of the United States, but of all the other Governments of the world. I know from reliable sources that within a few days—certainly within a few weeks—we will have for the Constitutionalist Government the recognition of the leading countries of Europe. It is impossible to exaggerate the importance and far-reaching character of the victory won.

While we are rejoicing over the results of our joint labors, I deem it timely and proper to express to you my appraisement and appreciation of the important part you played in this great fight.

He goes on in that way. I shall file that, perhaps.

The CHAIRMAN. Yes, sir.

(The full text of the above letter will be found printed in full in "Tupper, Appendix A," at the end of this day's proceedings.)

Dr. TUPPER. Here is another letter.

Yesterday afternoon at a special meeting of the International Peace Forum, of which Hon. William Howard Taft is honorary president, after a careful consideration of the crisis in Mexico, the following telegram was sent to President Wilson:

Hon. WOODROW WILSON,
President of the United States, Washington, D. C.:

The International Peace Forum of New York City, fully realizing the importance of maintaining the dignity and authority of the Government of the United States, pledges you its support in the delicate situation now confronting this country, and urges magnanimity rather than violence, believing with you that a high statesmanship is evidenced by the strong bearing the infirmities of the weak. During the last two years the peace commissioner of the International Peace Forum, Dr. Henry Allen Tupper, has made repeated visits to Mexico, studying its problems at close range from every point of view, and the lengthy and significant statement of Gen. Venustiano Carranza of this month through him betokens the practical service and contribution rendered by the International Peace Forum in this supremely important matter. As the forum is international in its spirit and purposes, it would commend heartily the invitation to the interested powers of the world to sympathetically cooperate with us and loyal Mexicans in the establishment of peace and stable government in that distracted Republic, should such a fraternal policy be adopted by you.

JOHN WESLEY HILL,
President International Peace Forum, New York City.

The CHAIRMAN. What is the date of that?

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Dr. TUPPER. That is dated—it was in 1915. You notice that there seems to be no date. As far as I can say, it was 1915. I am sure from the tenor of it. That is the original letter. I think it must have been about April, 1915, for this letter came very near it, I think.

MY DEAR DR. TUPPER:—

This is April 27—

MY DEAR DR. TUPPER: I was profoundly interested in the plan which you discussed with me last evening concerning the establishment of peace and order in Mexico. I know of no man more conversant with the situation in that country than you, and this is for the reason that you have represented the International Peace Forum among the various factions of Mexico in earnest and sincere effort to bring about conciliation and secure the establishment of orderly and constitutional government.

I likewise appreciate the sacrifices—

This was no sacrifice especially—

which you have made in the prosecution of your mission, at times even to the jeopardy of your life, and I beg to congratulate you upon the faithful service which you have rendered and upon your safe return home.

I believe that you have the right grasp upon the situation and that something must be done along the lines of your suggestions at once, or conditions may develop which will be beyond the power of this Nation to remedy.

I hope, therefore, that you will be able to enlist the interest and cooperation of men who have the real interest of Mexico at heart and whose judgment can be depended upon at such a time as this.

As the special representative of the forum in this work I wish you the success the important cause deserves and to which your careful thought, unabated efforts, and deep sympathy merit.

With warm regards,

Sincerely, yours, JOHN WESLEY HILL, *President.*

Here are some telegrams in the original from Carranza, January 8 and March 14.

The CHAIRMAN. What year?

Dr. TUPPER. 1917. One is 1917. The other is merely marked "14"; does not give the year. Just merely "I express my gratification," and so on, and "thanks to you." Something like the others. I will file those.

(The full text of the telegrams referred to translated will be found in "Tupper, Appendix A," at the end of this day's proceedings.)

Dr. TUPPER. Now, "The truth about Mexico."

By far the clearest and most illuminating statement of conditions in unhappy Mexico is embodied in the article on "The Constitutionalist Movement in Mexico, by Heriberto Barron, a prominent citizen of Mexico, in this issue of "The Peace Forum."

* * * * * * *

Mr. Barron gives credit to Dr. Henry Allen Tupper, the special peace commissioner of the International Peace Forum, for great efficiency in creating friendly feelings between the United States and Mexico.

I think perhaps that had better go in.

Here is a statement I would like to put in as a question on "Value received" that was called to my attention last Saturday morning, I think, in New York—I think in the Times. The committee would like to know and would Dr. Tupper please explain what "value received" meant.

Well, I have this little paragraph:

1. "Value received"—This is a commercial expression, very indefinite in its meaning. In this instance it can only refer to the fact, established by these

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records, that my actual, itemized, personal expenses for several years' service were met by Mr. Carranza. There was "value received" after this payment, for which no remuneration was received, and for which no remuneration was expected.

2. I am convinced, by my many visits to Mexico, when I mingled with all classes, that our American business men in Mexico are among the ablest, most upright men of affairs I have ever met.

I make no exception. They are magnificent men, splendid men, men of large affairs, and of big heart, too.

Their purpose, while making money, was to help Mexico and the Mexicans, and they have done so, despite many difficulties. As far as my observation goes, I have never seen any evidence of an individual or concerted effort to induce our Government to interfere, politically or governmentally, with the affairs of Mexico.

3. I have taken the position, and now hold the position, that what is known as intervention by our Government should be the last of last resorts; and I hoped, and I still hope that the absolute necessity for this will not occur.

Here is a long letter from Carranza, making a statement—now, notice this, gentlemen——

The CHAIRMAN. What is the date of that?

Dr. TUPPER. This is Juarez, Chihuahua, April 3, 1914.

Dr. HENRY ALLEN TUPPER,
El Paso, Tex.

MY DEAR SIR: I have read with much interest the letter of Senator Sheppard, which you were so kind as to forward to me on the ult. In regard to the matters contained therein I beg to state the following:

I possess a deep admiration for the American people, and hold in great personal esteem President Woodrow Wilson and William Jennings Bryan, the Secretary of State of the United States of America. I know that they are men of the very highest mentality, as well as moral and political aims, and for that reason I think that their friendship towards Mexico and the sympathy evidenced for the principles of the Mexican Constitutionalists are not only sincere but entirely disinterested, and are the result of the existing harmony between the aims of the cause which I have the honor to represent and the ideals of American democracy.

I possess such a high opinion and esteem—

Shall I continue with this?

The CHAIRMAN. You can file it.

Dr. TUPPER. I think it is not necessary to continue.

(The full text of the above letter will be found in "Tupper, Appendix A," at the end of this day's proceedings.)

Dr. TUPPER. Here is a statement from Carranza to Dr. Henry Allen Tupper, November 15, 1913, suggesting the purposes of the—I would like to have that go in—the purposes of the revolution as far as he can see.

The CHAIRMAN. Yes; it will go in the record.

(The statement above referred to will be found printed in full in "Tupper, Appendix A," at the end of this day's proceedings.)

Dr. TUPPER. There are several things I do not agree with Mr. Carranza on. On several occasions I could not agree with him.

Now, here, the following interview with Dr. Tupper appeared in The Watchman, a religious journal of New York, in 1915:

Question. Dr. Tupper, how did you first become interested in Mexico?

Dr. TUPPER. While pastor of the Calvary Church, Borough of Brooklyn, in the summer of 1912, I was asked by the International Peace Forum to go to Mexico and do what I could in the interest of pacification. I spent the weeks of my vacation conferring with the leaders of the factions who were fighting against Francisco Madero, who was then President of Mexico.

Question. What was the result of these interviews?

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Dr. TUPPER. At Juarez, Mexico, after several conferences with Gen. Pascual Orosco, who was the commander in chief against President Madero, I received from Orosco a 3,000-word statement of his contentions, with the request that I would present to President Taft and to the President of the Republic of Mexico. At Beverly, his summer home, and elsewhere, I presented the matter to President Taft, who is the honorary president of the International Peace Forum; and although he was deeply interested, he declined, during the closing months of his administration, actively to interfere in the affairs of Mexico; but he expressed strong opposition to intervention by arms. In January, 1913, Pedro Lascurain, the secretary of foreign affairs in Madero's cabinet, visited the United States, and I had the honor of delivering to him a brief welcome address as he landed on the pier at New York. Before he returned to Mexico he was elected one of the vice presidents of the International Peace Forum.

On the invitation of Señor Lascurain, the premier in Madero's cabinet, I was invited to go to Mexico City and present in person the Orosco paper to the President, following this with a discussion of practical methods for the pacification of his country. The invitation was accepted; but at El Paso, Tex., opposite Juarez, Mexico, as I left the platform, on February 22, after my address on "Washington," a telegram was handed me telling of the murder of President Madero. This was a shock to me, and, although this assassination changed my plans, I continued my journey to Chihuahua, Mexico. On invitation from a newly appointed cabinet member in the Huerta government I journeyed, in the midst of dangers and difficulties, toward the capital city, hoping still to pour oil on the troubled waters. After traveling several hundred miles and witnessing the battle of Santa Rosalia, I was obliged, because of burned bridges and torn-up railway tracks, to return north. After giving a report of my experiences to ex-President Taft at Augusta, Ga., where he was laboring on the golf field, I returned to Washington, where the new administration was just entering upon a vigorous effort to eliminate Señor Huerta. At this time, in the city of Saltillo, Mexico, Gov. Vesustiano Carranza was defying the rule of Huerta, and, accompanied by a few adherents, he left the capital city of the State, where he was the constitutionally elected governor, and raised the flag of the revolution.

Question. When did you first meet Señor Carranza and what were your impressions?

Dr. TUPPER. In the early spring of 1913, accompanied by a personal friend of Gov. Carranza, I went from San Antonio, Tex., to Piedras Negras, Mexico, and there for the first time I met him. As he entered the reception room in the customhouse I was greatly impressed by his personal appearance. He is much taller than the Mexicans one usually meets. His broad shoulders, wide forehead, large features, and quiet demeanor give evidence of massive strength, and he reminds one of a fine specimen of a Civil War veteran. While graciously polite, he was coldly dignified at this first interview. During our conversation he calmly asked, "Have you come here to ask me to open negotiations with that murderer, assassin, and usurper, Huerta, who slew my friend, President Madero?" When my mission was explained he seemed more receptive and responsive, and I was invited to another conference the following morning. The next day he was much more tractable, received me cordially, presented to me a large photograph of himself appropriately inscribed, and, more important than all, handed me a concise statement of the purposes that actuated him and his followers in the rebellion against Huerta.

Two years and a half have passed since that meeting. During this time I have visited Señor Carranza many times, and my admiration for him has gradually and uninterruptedly increased. In the family circle, in the social gathering, in his council meetings, on the battle field, on the railways, in his automobile trips, and in the historic convention at Mexico City I have studied this remarkable man, and I have found him consistent and trustworthy. As have all other men, he has his limitations and weaknesses, but the people and press of the United States have as a whole failed utterly to appreciate the ability, the integrity, and the sincerity of Venustiano Carranza.

Question. Have you confidence in Gen. Carranza's ability now to control the situation?

Dr. TUPPER. Repeatedly have I said during these months of study and investigation that unaided no Mexican can control Mexico. The times and régime of Diaz have passed, and never again will a dictator be tolerated in this republic. The one who leads in the reconstruction and rehabilitation of Mexico must have

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the active support of the outside world, especially of the United States. Without this it matters not how high his motives may be, he will inevitably fail.

Question. What do you think will be the effect of the recognition that has been given to Señor Carranza?

Dr. TUPPER. Immediately after recognition had been extended to First Chief Carranza and his Government I received from him an appreciative cablegram. In response I urged him to regard this fortunate action merely as a means, not an end. That he thus regards it, I have every reason to be convinced.

His opportunities are only surpassed by his responsibilities, and his friends have faith that he fully appreciates the former and will rise to the latter. I have in my possession a paper signed by V. Carranza, in which he solmenly promises that he will extend generous amnesties, will guarantee the security of the life and property of foreigners in the district controlled by the Constitutionalists; will insist upon religious liberty under the law of the separation of church and State as it exists in the United States; will encourage the legitimate development of the material resources of Mexico by foreign capital and the settlement of worthy foreigners in his Republic; and will strive to maintain the most cordial and friendly relationship between Mexico and all foreign nations. I have no doubt but that he is absolutely sincere in these declarations; and if he is properly supported and encouraged by his own people and by foreigners and if his life is spared, a New Era will soon dawn upon that war-devastated land.

Question. How will all this affect the educational and religious status of Mexico?

Dr. TUPPER. Señor Carranza is an educated, cultured man. He is an enthusiastic student of history and political economy, and the masterly and successful manner in which he has measured swords with certain statesmen, not a thousand miles from here, prove that he is not lacking intelligent statecraft. He has assured me repeatedly that he will do everything in his power for the education of the ignorant masses of his people. As a practical proof of his intentions in this line, he has already sent to this country, at the expense of his Government, a large number of bright Mexican men and women, who are being equipped as teachers. As I am especially interested in the progress of Christian education in Mexico, this matter has been discussed frequently with him. The impressions made upon me by these conversations have been satisfactory; and I look for a great progressive movement in our mission work in the Republic should Señor Carranza be given the right of way in his beneficent plans and purposes. After our Madero Institute, at Saltillo, had been turned into a livery stable by the Federals under Huerta, it was restored and encouraged in its reestablishment by Carranza, and is now ready to do a greater work than ever in the education of the young women of Mexico. Last year I had the pleasure of personally presenting one of our faithful missionaries to Señor Carranza at Saltillo, and as we came out of the reception room the missionary said: "This talk with the First Chief means more to me and my work than I can express. I am delighted with the man, and I am more hopeful than ever." It will be worse than folly for us to expect Mexico, after her long history of distress and disorder, to be reconstructed in a day. As our next-door neighbor, let us cease our caustic criticism of Mexico and extend to her the hand of helpfulness and the heart of a sincere sympathy in this hour when she is passing, let us hope, from darkness into light.

Here is an article of mine on The Problem of Mexico, and I will state this: There have been a good many changes in my mind since: I knew all about it then. I do not know as much now. I wish I did more. There are some things suggested there that were not as clear in my mind then as now, but my best opinion is there.

(The full text of the article above referred to will be found printed in full in "Tupper, Appendix A," at the end of this day's proceeding.)

Dr. TUPPER. Here are two telegrams from Carranza. I would like the Senator to see those.

The CHAIRMAN. You may put them in.

(The full text of the telegrams above referred to, translated, will be found printed in full in "Tupper, Appendix A," at the end of this day's proceedings.)

Dr. TUPPER. Here is another letter from Carranza, "My esteemed friend"—I will put this in.

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(The letter above referred to, dated December 21, 1913, translated, will be found printed in full in "Tupper, Appendix A," at the end of this day's proceedings.)

Dr. TUPPER. Here is "Signs and Progress and Improvement in Mexico," as given lately, or filed lately, showing that the New York Sun last Monday, September 15, 1919, published a report to the effect that steamship traffic between a number of ports on the Pacific coast of Mexico, which has been interrupted since July, 1914, is to be resumed this month.

Another article from the New York Sun, dated September 15, says a group of prominent Mexican farmers are planning an excursion to Texas next month to visit the agricultural exhibition at Dallas, October 3 to 17; that they will be welcomed by an official commission of the State of Texas; they will visit Fort Worth, where a live-stock exhibition is to be held; also visit Galveston and Houston. "Every phase in connection with this event," says the Sun, "will be recorded by official films in order to show in Mexico the cordial manner with which the delegation has been received in Texas."

Then the Bulletin of the Pan American Union, August, 1919, contains a report that in the last few months nine new oil pipe lines have been constructed, raising the extent of those already in operation to 1,171 kilometers, adding an approximate value to these lines of 50,000,000 pesos, according to official figures, says the article. "Up to the present time," adds the statement, "the Huesteca Co. has the most extensive pipe line, 361 kilometers; next El Aguila, 343 kilometers; the Mexican Gulf, 100; and the Oil Field, Mexico, 89."

Showing in some direction there is some progress.

Another item in the August number of the Pan American Bulletin says the "South American Pacific Line of Canada has decided to establish a direct line of steamers between Canada and Mexico." And the next bulletin says that the "Mexican department of agriculture will initiate the use of moving pictures to teach the art of farming to the country people as the most efficient, economical, and rapid method of instruction. The plan adopted will show the farmers using modern farming implements, the use of fertilizers and how to apply them, the system of 'dry farming' like that used in the United States, and the construction of dikes for irrigation."

The New York Sun of September 15 also prints an article from Bluefields, Nicaragua, under the heading: "NICARAGUA SEES FRIEND IN CARRANZA," in which it says there is "considerable wonderment in these quarters at the continued hostility toward President Carranza on the part of certain newspapers in the United States": and the article adds:

> In Nicaragua he is considered as a most efficient statesman and one of the leading newspapers of this city has come out with an almost extravagant eulogy of the Mexican President * * *.
>
> As a proof of the trust and confidence which this country (Nicaragua) reposes in the statesmanship of the Mexican President it may be mentioned that in accord with Costa Rico, Nicaragua has selected him as arbiter for certain diplomatic disputes which have arisen between the two countries.

The CHAIRMAN. What date is that?

Dr. TUPPER. September 15, and there are the extracts.

The CHAIRMAN. September 15 of what year?

Dr. Tupper. This year; the last week; the last few days. And there are the clippings there.

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I might state that I am indebted to a gentleman here in the city for sending these to me through the mail. I just received them.

The CHAIRMAN. Who sent them?

Dr. TUPPER. A Mr. Sweinhart.

The CHAIRMAN. What is his address?

Dr. TUPPER. I can easily get it for you. He is a member of my church and a very splendid man.

The CHAIRMAN. What is his business, do you now?

Dr. TUPPER. I think perhaps he is connected with some publicity organization abroad. His name is Henry Sweinhart. He was to be here this morning. He may be in the room. I asked him to be here.

I have taken up, I am afraid, too much of your time, but I wanted this thing from my point of view, and also from these documents, to be presented as fully as possible and I am very grateful to you gentlemen for your kindness. I will leave these on your table.

The CHAIRMAN. When did you sever your connection with the International Peace Forum, Doctor?

Dr. TUPPER. I think it was in—either the latter part of 1914 or 1915.

The CHAIRMAN. Where were you at that time?

Dr. TUPPER. I think I was in New York, as far as I can recall.

The CHAIRMAN. There was some little correspondence between yourself and some of the officials, was there not, by telegram, at San Antonio, Tex., or on the border?

Dr. TUPPER. I do not recall. Possibly Dr. Hill did not agree with some work of mine. I do not recall exactly the nature of that.

The CHAIRMAN. Did the Peace Forum or Dr. Hill, president of the Peace Forum, issue any statement about that time with reference to the fact that your connection with the Peace Forum had been severed?

Dr. TUPPER. I have never seen any statement of that kind, sir. My connection, I might say, with the Peace Forum was very informal. The understanding was that I should be a free lance in carrying out my plans, and because of that I received no remuneration.

The CHAIRMAN. The reason I asked the question was because you have put in the record here some letters from officers of the Peace Forum.

Dr. TUPPER. As far as I know, Senator—may I say, the relations have been very pleasant, and pleasant up to the present moment, with the officers of the International Peace Forum.

The CHAIRMAN. Of course, I have no definite knowledge upon the subject at all. My memory was simply floating back for a few years while you were reading some of those letters and I remembered some things that had occurred. The particulars I do not know.

Dr. TUPPER. No; I recall nothing of that kind. I regard them very highly.

The CHAIRMAN. Doctor, you have introduced some letters from Mr. Douglas, who you say is the attorney for the Carranza Government?

Dr. TUPPER. Supposedly their attorney.

The CHAIRMAN. That it is right that your expenses should be paid.

Dr. TUPPER. Yes, sir.

The CHAIRMAN. That it is right that your expenses should be paid, etc., by the constitutional government of Mr. Carranza?

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Dr. TUPPER. Yes, sir.

The CHAIRMAN. Does he sign that letter personally or as attorney?

Dr. TUPPER. No sir; just Charles A. Douglas.

The CHAIRMAN. Mr. Douglas is now in town, is he not?

Dr. TUPPER. I understand from his son that he is in Mexico.

The CHAIRMAN. Is he still the attorney for the Carranza Government?

Dr. TUPPER. I do not know, sir.

The CHAIRMAN. Doctor, what others did you mention? You have mentioned Mr. Metcalf's name, or it was mentioned in Mr. Douglas's letter to you?

Dr. TUPPER. Gov. Metcalf, of Nebraska, I believe, sir.

The CHAIRMAN. He was formerly connected with Secretary of State Bryan?

Dr. TUPPER. I think at one time he was governor of Panama, was he not?

The CHAIRMAN. Well, my memory is somewhat defective on matters of that kind. But the Mr. Metcalf who was the governor of Panama is the same Mr. Metcalf to whom you referred?

Dr. TUPPER. That is my inference and my best knowledge .

The CHAIRMAN. Did you come in contact with one John Lind on this matter?

Dr. TUPPER. I have met Mr. Lind on several occasions.

The CHAIRMAN. Consulted with him in behalf of the Carranza government?

Dr. TUPPER. I think I have discussed the matter with Mr. Lind, but not very fully.

The CHAIRMAN. Do you know Mr. R. H. Cole?

Dr. TUPPER. I know a Mr. Cole.

The CHAIRMAN. Did you meet him in Mexico?

Dr. TUPPER. No, sir; I do not think I ever met Mr. Cole in Mexico. I met him several times, if you refer to Mr. Richard Cole.

The CHAIRMAN. Yes; Richard Cole.

Dr. TUPPER. From California?

The CHAIRMAN. Yes.

Dr. TUPPER. I met him several times in America. I do not recall having met him in Mexico. I may be mistaken.

The CHAIRMAN. Did you ever discuss matters with him along the line of the recognition of Carranza?

Dr. TUPPER. He has discussed the matter with me.

The CHAIRMAN. Was he here in Washington, do you know, before Carranza's recognition?

Dr. TUPPER. My impression was that Mr. Cole visited Washington now and then during that period.

The CHAIRMAN. With what Americans aside from Mr. Bryan, and the President, and Mr. Metcalf, and Mr. Cole, if any, did you have consultations, or who had consultations with you, with reference to the recognition of Carranza; if you recall?

Dr. TUPPER. Well, I am not positive as to the discussion of the recognition of Mr. Carranza, but I have had friendly talks about Mexico with a number of gentlemen. I have mentioned a Mr. Leckie, attorney, and Mr. Pace, who was secretary to, I think, Mr. Douglas; and also I had a talk with Gen. Funston, who was at Vera Cruz.

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The CHAIRMAN. Did you ever have any talks with Gov. Folk, of Missouri, about Mexico?

Dr. TUPPER. I don't think I ever discussed that question with Mr. Folk. I know Folk, but I do not recall having discussed that matter at all with Gov. Folk.

The CHAIRMAN. Did you know Louis d'Antin?

Dr. TUPPER. Louis d'Antin?

The CHAIRMAN. Yes.

Dr. TUPPER. I do not recall him. I may have met him, but I do not recall at this moment the gentleman at all.

The CHAIRMAN. You came in contact with Mr. Arredondo, who was Carranza's representative here?

Dr. TUPPER. Yes, sir; there is a letter, by the way, that I think that I filed from Arredondo.

The CHAIRMAN. Did you ever meet Mr. Arredondo at his residence?

Dr. TUPPER. I may have met him. I will not say I did not, but I will only mention matters that are positively in my mind.

The CHAIRMAN. Certainly. Now, Doctor, you have read into the record, or mentioned, some clippings with reference to a visit from educationalists from Mexico who were to have moving pictures taken of agriculture in this country, etc. Do you know what the conditions in Mexico are today with reference to education?

Dr. TUPPER. I am inclined to think very bad. I am very sorry to say that, because I feel that the seed I sowed there has not brought the fruit that I hoped, but I do believe the seed is there.

The CHAIRMAN. I noticed a statement from Gen. Carranza to yourself, dated November 15, 1913, in which Gen. Carranza says that "the immediate object of the Constitutionalists is the restoration of constitutional government in Mexico by the elimination of Huerta and all those responsible with him for the assassination of President Madero and the usurpation of the government." Has that promise to you, in your judgment been carried out?

Dr. TUPPER. May I trouble you to read that again, Senator?

The CHAIRMAN (reading):

> The immediate object of the Constitutionalists is the restoration of constitutional government in Mexico by the elimination of Huerta and all those responsible with him for the assassination of President Madero and the usurpation of the government.

And another paragraph [continuing reading]:

> In order to carry out the first object—the elimination of Huerta and his associates at once—the Constitutionalists ask but one thing of the United States: The repeal of the resolution forbidding the free export of arms and ammunition from that country, no matter to whom.

And the next paragraph is that—

> With such repeal the Constitutionalists give assurance that within one month thereafter they would have at least 100,000 well armed and equipped troops in the field, and that within three months they would have restored peace to the entire country.

I ask you, first, whether in your judgment constitutional government has been restored in Mexico, such as was contemplated at the time this statement was made?

Dr. TUPPER. I do not think it has, sir.

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The CHAIRMAN. You were speaking of the restoration of the Madero school.

Dr. TUPPER. Yes, sir; the Madero school at Saltillo.

The CHAIRMAN. And assurances that you had had from Carranza, as I understand it, with reference to education, etc. Do you know what the provision of the constitution of Mexico is with reference to ministers conducting schools there? Are you familiar with that?

Dr. TUPPER. Well, I have never read it. I have been told that there is such a paragraph in the constitution, but I doubt very much whether it has been enforced. I will give you an illustration of that, if you desire.

The CHAIRMAN. I will read article 3 of the constitution, so called, of 1917:

ART. 3. Instruction is free; that given in public institutions of learning shall be secular. Primary instruction, whether higher or lower, given in private institutions shall likewise be secular.

No religious corporation nor minister of any religious creed shall establish or direct schools of primary instruction.

Private primary schools may be established only subject to official supervision.

Primary instruction in public schools shall be gratuitous.

You think that that provision of the constitution is not being enforced?

Dr. TUPPER. I do not think so, fully. When I was in Saltillo one of the gentlemen interested in the work, Mr. Lacy, I think it was, came to Saltillo and asked me to present him to Carranza. He had a long conference. He speaks Spanish well. And he came up in the room and said, "That is most encouraging. Mr. Carranza assured me he would protect me in this work and in every way possible would encourage the work."

The CHAIRMAN. When was that?

Dr. TUPPER. That was in 1914.

The CHAIRMAN. That was three years before the adoption of the constitution the provision of which I have just read.

Dr. TUPPER. Perhaps it was. You see I have not been in Mexico since 1916 or 1917; 1916, I think. I doubt whether I have been in Mexico since the adoption of that constitution.

The CHAIRMAN. In article 27 of the constitution, subdivision 2 [reading]:

The religious institutions known as churches, irrespective of creed, shall in no case have legal capacity to acquire, hold, or administer real property or loans made on such real property; all such real property or loans as may be and at present held by the said religious institutions, either on their own behalf or through third parties, shall vest in the nation, and anyone shall have the right to denounce property so held. Presumptive proof shall be sufficient to declare the denunciation well founded.

Had you had your attention called to that provision in the constitution of 1917?

Dr. TUPPER. What is that question, sir?

The CHAIRMAN. I asked if you had had your attention called to that provision of the constitution?

Dr. TUPPER. Yes, sir; my attention was called to that.

The CHAIRMAN. I was wondering, doctor, what you thought of the result of your efforts, upon which you have been congratulated, in securing the recognition of Mr. Carranza—if you are satisfied?

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Dr. TUPPER. I will say this, Senator, very plainly: As I admitted just now, I have been very much disappointed in the results of my work. I had hoped that before this we would have a harvest from the seed that I sowed, but I am not thoroughly discouraged. I hope still possibly to have. But so far as the sum total of results is concerned I am disappointed.

The CHAIRMAN. You said that you visited Mexico about 1889 and noticed the difference between the wealthy class and the laboring class in Mexico. Did you give any thought or investigation at all to the question of public schools at that time, Doctor?

Dr. TUPPER. As I said, I only noted superficially; but that was the impression that I had formed, and I was only there a comparatively short time.

The CHAIRMAN. Did you see President Diaz at all?

Dr. TUPPER. I just met him, sir; at some reception.

The CHAIRMAN. Did you have any opportunity to discuss with him the subject of schools?

Dr. TUPPER. I did not; no, sir, He impressed me as a most remarkable man. I sometimes agree with Mr. Elihu Root that he is one of the remarkable men of the day. He was a very remarkable man, indeed.

The CHAIRMAN. Under article 130 of the constitution of 1917 there is a provision that only a Mexican by birth may be a minister of any religious creed in Mexico.

Dr. TUPPER. What is that?

The CHAIRMAN. Only a Mexican by birth may be a minister of any religious creed in Mexico. Had you had your attention called to that?

Dr. TUPPER. You would think by that that no one who was a minister of the Gospel born outside of Mexico could speak there, could preach there?

The CHAIRMAN. I will just read the constitution and ask if you have had your attention called to it

Dr. TUPPER. Well, I am sure that a number of my friends who are speaking continuously there—I think there are several churches open, I am quite sure, in Mexico City—that is my impression. When I was there I preached all over the Republic, wherever I had an opportunity, but that was before the constitution.

The CHAIRMAN. Yes.

Dr. TUPPER. But I do not think that has been carried out fully. That is my impression.

The CHAIRMAN. "No ministers of religious creeds shall, either in public or private meetings, or in acts of worship or religious propaganda, criticize the fundamental laws of the country, the authorities in particular or the government in general; they shall have no vote, nor be eligible to office, nor shall they be entitled to assemble for political purposes."

You have not given much thought to that?

Dr. TUPPER. No; I had not seen that, Senator. I am very much obliged for the information.

The CHAIRMAN. The closing lines of the constitutional provision, article 130, are as follows:

No minister of any religious creed may inherit, either on his own behalf or by means of a trustee or otherwise, any real property occupied by any association

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of religious propaganda or religious or charitable purposes. Ministers of religious creeds are incapable legally of inheriting by will from ministers of the same religious creed or from any private individual to whom they are not related by blood within the fourth degree.

Dr. TUPPER. I do not think that will affect many ministers. We do not inherit much. But I did not know that was in the constitution.

The CHAIRMAN. Doctor, you did not have your attention called while you were there prior to 1915, October 9, to the fact that practically all the leaders, military chieftains, associated with Carranza, had adopted or announced as their purpose, if successful, the elimination of all foreign ministers from Mexico entirely?

Dr. TUPPER. I did not know that. You mean before that?

The CHAIRMAN. Yes, sir.

Dr. TUPPER. No, sir. That was not put in action, for I walked the streets in Mexico City and met Carranza over and over again. I had these many conferences with Gen. Obregon, with Gonzales. I think I have in my pocket—I had this morning—the little card handed me in which I had entrance to the Chapultepec castle, and so on, and also a letter or card from Obregon, signed by Obregon, and I was speaking every Sunday at a little American church there. That was not in force at that time, Senator, nor since, as far as I know.

The CHAIRMAN. I did not mean to even insinuate they were enforcing this provision of the constitution against the church workers from this country at that time.

Dr. TUPPER. And I did not know I was violating any law of the land there when I did that.

The CHAIRMAN. Possibly you were not, so long as you were under the protection of what he called the law of the land. The President, without the act of Congress, can put in force, or revise, and put in force, any provision of the constitution.

Dr. TUPPER. Yes, sir.

The CHAIRMAN. Doctor, what was the general condition with reference to poverty, beggars, food conditions, etc., in the winter of 1914 when you were in Mexico City?

Dr. TUPPER. Very wretched.

The CHAIRMAN. Do you know what the conditions were there in the fall of 1915, at the time of the recognition of Carranza?

Dr. TUPPER. No, sir; I was in this country at that time; I think most of the time.

The CHAIRMAN. Do you know anything about the work of the American Red Cross in northern Mexico under Weller and in southern Mexico under O'Connor in 1915?

Dr. TUPPER. Only from hearsay, sir. I know nothing from my personal, absolute knowledge.

The CHAIRMAN. Did you hear anything as to why such work ceased, if it did cease?

Dr. TUPPER. I did not, Senator. I have never been informed on that subject. There were reports in the air, but nothing definite and concrete came to my attention.

The CHAIRMAN. Do you keep up with the Red Cross work?

Dr. TUPPER. Yes, sir; somewhat. I am very much interested in it.

The CHAIRMAN. I notice in the official magazine of the Red Cross for November, I think it is, 1915—I have not the magazine before

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me; I have only a portion of it, as some of the leaves have been cut out, but I am now securing for the files of this committee another copy—but I notice a statement here "from a report of Mr. O'Connor of relief work in Mexico City," written in September, we quote the following:

Twenty-six thousand applications for aid have been investigated and approved by responsible organizations and individuals. Each of these represents an average of 4.5 persons. There are many applications which have not been investigated yet for lack of time. As many as 3,400 persons have made application at headquarters in a single day, besides hundreds who applied in other places.

SOUP FOR THE STARVING.

By the use of garbanzas, dried peas, fresh vegetables, and meat—all of the best quality—it has been possible to provide a clean, nourishing soup, with a food value averaging 500 calories per liter. Most of this is cooked by steam in large vats at the rastro, whence it is carried by autotrucks and wagons to the relief stations. The service has not been so good as we would like. Neglect at some of the stations has resulted in sour soup, while a few of the men employed have had so little human feeling as to traffic in garbanzas and meat stolen from starving women and children. We have tried to correct such abuses as soon as they were discovered.

The total quantity of soup delivered from August 5 to September 4, inclusive, was 553,575 liters. This form of giving relief is much more difficult and expensive than the distribution of uncooked food, but on account of the very high price of charcoal, wood, and salt it was considered the most beneficial form.

Through a special arrangement a number of cases of extreme starvation requiring medical attention have been treated in the American Hospital.

Dr. TUPPER. At Mexico City.

The CHAIRMAN. Yes, sir.

The foregoing, as the date indicates, was written before Mr. O'Connor knew that the American Red Cross would withdraw from Mexico.

Dr. TUPPER. I might say on general principles the Red Cross does always a wise and most benevolent work, but most unfortunate that they left Mexico.

The CHAIRMAN. On page 354 I notice a picture of J. C. Weller, who managed the distribution of Red Cross food in Saltillo and Monclova.

The relief work done under the supervision of Mr. Weller in northern Mexico was divided among a number of cities and many difficulties were encountered. From private as well as official sources, reports have come indicating that a multitude of poor civilians who were fed with corn for many days and beans taken to their territory by Mr. Weller on trains that were likely to be blown up any minute or thrown into a ravine from a rickety bridge were gratefully appreciated. The character of Mr. Weller's work was somewhat different from that of Mr. O'Connor. Mr. Weller was traveling much of the time. Both took some hazardous railway journeys, but Mr. Weller had more of this than Mr. O'Connor. His territory was very unsettled.

The American consul general to northern Mexico, Mr. Philip C. Hanna, during the earlier stages of the Mexican relief work ably managed for the Red Cross the distribution of corn and beans among many thousands of starving peons. To the great throngs of Mexicans which gathered daily about the American consulate in Monterey the consulate was looked upon as truly a life-saving agency. Unquestionably many hundreds of dependent persons were actually rescued from a death of slow torture by this activity in northern Mexico.

And that magazine of the same date has an article by the editor——

Dr. TUPPER. Will you kindly give me that date? I would like to get that magazine.

The CHAIRMAN. November, 1915.

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Persistent and even strenuous efforts by the American Red Cross during a period of four months to appease, with all the facilities at its command, the widespread and intense suffering which has prevailed among women, children, babies, and other noncombatants in Mexico were brought to a close early in October and the responsibility of mitigating this misery was transferred to the Carranza faction, which has been recognized unanimously by the Pan American conferees on Mexico as the de facto government in that country. At the request of Gen. Carranza and with the advice of the American Department of State, which was consonant with the request, the American Red Cross discontinued its relief activities in both southern and northern Mexico October 8, and Special Agents Charles J. O'Connor and J. C. Weller, whose enterprise, hardihood, and efficiency in relieving the starving populace have brought them much praise, have been withdrawn. As it developed, the State Department advice in advocacy of the withdrawal of the Red Cross representatives presaged the formal recognition of the Carranza organization.

The formal recognition was on October 9, and on October 8 the Red Cross was ordered out of Mexico at the request of Gen. Carranza.

Dr. TUPPER. Most unfortunate.

The CHAIRMAN. I have here, which I shall place in the record now, in connection with this subject, a report on Red Cross work, August 25, 1915, to September 25, 1915, of Mr. J. C. Weller, special agent of the American Red Cross, who is the same Mr. Weller to whom reference is made in the Red Cross Magazine.

Dr. TUPPER. Yes, sir.

The CHAIRMAN. And that report was not only sent to Gen. Devol, acting chairman of the American Red Cross, but was by Mr. Weller filed in the State Department here in Washington.

Dr. TUPPER. Yes, sir.

(The report of Mr. Weller, to which reference is here made, will be found printed in full in "Tupper, Appendix A," at the end of this day's proceedings.)

The CHAIRMAN. I want to call your attention to one matter in connection with this, Doctor.

Dr. TUPPER. I would like to hear that, Senator, very much.

The CHAIRMAN. Because you are, of course, very sincerely interested and been doing what you could to better conditions in Mexico.

Dr. TUPPER. I am very much obliged for this illumination.

The CHAIRMAN. I will just call your attention to one paragraph here. It is a very long one, but nevertheless I think you will find it interesting.

Dr. TUPPER. Yes, sir.

The CHAIRMAN (reading):

On the morning of September 2, after having been assured that the line would not be open within a day or two, I proceeded to Sabinas, where I arrived the same day at 5 p. m. I was then informed that it would be two or three days before the line would be open to Monclova. We arrived in Sabinas Thursday, and on Saturday morning at 9 a. m. we were informed that the Carrancistas had the town surrounded and would make an attack in a few minutes. I immediately made preparations to leave, and before we could get the engine coupled onto the train we heard two loud explosions to the north and saw the dust and one bridge being blown up. Communications being cut off from the north, we proceeded to go south. On leaving Sabinas some 15 deserters, all young boys, part of the Villa army, climbed on our train, hiding themselves amongst the cars. I was careful to disarm each one, as the colonel insisted on my taking them, which I did not want to do. We proceeded slowly, and just 4 kilometers before reaching Beroteran, in a cut, we were suddenly opened fire on by about 800 men (Carrancistas), 400 being on one side of the track and 400 on the other. After the rifle firing began a machine gun was trained on our train and kept firing for about 5 minutes. My assistant and I ordered everybody down flat on the

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floor of the car; fortunately, no one was hit. The engineer stopped his train immediately on the first shots, but they continued to fire at us for at least five minutes. Each car was plainly marked with the Red Cross sign on both sides. Inclosed photographs will show the size of the sign. There was no excuse for them not seeing the signs, as they could have been plainly seen at a mile distance. The engine had two Red Cross signs in front on each side.

I was told by a man who was formerly employed by me in Mexico, who was with the troops, that they were fully aware of our identity, but that they shot up our train simply to show their disrespect for any American institution. The fact of the matter is that the Carrancistas have been coming into Sabinas, sleeping at night in their houses, and were fully aware that we were at Sabinas. One of the troopers came up to me with one of the Red Cross signs and handed it to me, torn in rags, and remarked: "Take your dirty rags, gringo ——." Just before firing ceased I went out on the back platform and happened to recognize an officer, who was part American, however a Mexican citizen, by the name of Burchelmann. He immediately communicated to Gen. Zuazua my identity, and the order was given to cease firing by a bugle. In the meantime a trooper rode up to me and grabbed hold of me, with a pistol in his hand, searching me for arms; not finding any, he took my watch. A colonel coming up behind, whom I happened to know, ordered him not to touch me. He made the man give the watch to me.

As soon as firing ceased the whole mob swarmed down to the train yelling "Viva Carranza," and looking for loot. They flocked into my car with guns in their hands, but were stopped by this half-breed American, who assured them that we were not armed, and later Gen. Zuazua ordered them to keep out of the car. After I had talked to Gen. Zuazua and told him the seriousness of his act, he apologized in a half-hearted way, and gave me a pass permitting me to go through their lines.

Gen. Zuazua is the general who is now sending reports into our State Department of the pacification of the northern States of Mexico.

Our engine having run out of coal, I sent it down to Beroteran to get coal and come back and get our train. In the meantime, the Carrancistas formed a battle line and started back toward Beroteran. We could see Beroteran plainly, being on a hill above it. It seems they had surprised the Villistas a short time previous to our arrival, and had practically wiped out the small command of men at the station. Those they did not kill were taken prisoners and hurried off to Lampasas. The Villistas sent a small army from Esperanzas, 6 miles away, to retake Beroteran, which they did, and held for about two hours. The firing was continuous, and the Carrancistas entered Beroteran during the afternoon three times, and were driven out three times by the Villistas.

It is a very interesting document.

Dr. TUPPER. Yes, sir. I would like to have a copy of that.

The CHAIRMAN. If you can not get it from the department I will see that you have a copy of it, sir.

Dr. TUPPER. I would like to have that in my files.

The CHAIRMAN. Yes, sir.

Wednesday, September 15, while attending wounded, I was suddenly confronted with a howling group of men in charge of a captain by the name of Falcon, who rode up to the cars in which I had the wounded, with their guns and pistols cocked, asking where the Villistas were. They jumped off their horses and crowded into the cars, first taking a shot at a Mexican who was helping me——

There was some shooting and further trouble, which I will not read into this record at this time.

Dr. TUPPER. That is Mr. Weller's report?

The CHAIRMAN. That is Mr. Weller's official report to Gen. Devol, of the Red Cross, and also sent direct to the State Department.

Dr. TUPPER. I will be very glad to see that.

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The CHAIRMAN. I am just reading one part after another.

On the first day we gave out in small doses 10 gallons of castor oil, not to speak of quinine, salts, and other medicines. There was one Mexican doctor in Monclova—

That is the capital of the State of Coahuila, the old capital—

There was one Mexican doctor in Monclova who was absolutely helpless and had no medicines for filling prescriptions. The prescriptions were sent to us and we did what we could to fill them. On Sunday, September 12, Gen. Madero came to me and asked me if I would accept a carload of beans to be distributed amongst the townspeople. I told him that I could see no objection to this, provided he allowed it to go through the regular channels. During the afternoon, while I was attending to the wounded, Gen. Madero made the mistake of opening up this car of beans on a sidetrack near the station. The people of the town immediately got wind of it, and they looted this car so that in 10 minutes after there was not a bean left in the car. The troops made some attempts to stop the looting but they were powerless. I estimate that 4,000 people fought, knocked one another down, to get these beans. On the same day Gen. Madero and Gen. Hernandez, with their troops, got out of Monclova, leaving a small command of men under Col. Torres as a rearguard for protection.

On the morning of September 22 the military commander came to me stating that he had received orders from Gen. Elizondo at Monclova, and searched my train, as it had been claimed that I had taken away with me two cars of ixtle and one of bones. I assured the commander that I had done no such thing, and that I turned these sacks over to Gen. Elizondo before leaving Monclova. He stated that it did not make any difference, that he wanted to search the train, and he ordered me to turn over the keys to the cars. I accommodated him and he tore the seals off of the cars in checking up contents. There was no excuse for this whatever, but it was simply done, I think, with the object of intimidating me.

Communication being cut off toward the north, I wired Gen. Zuazua offering to take the cars of medical supplies and corn to Saltillo or Monclova. I received a telegram from him stating that he appreciated my offer, but that the conditions in the territory controlled by the Carrancistas were such that help was not needed. He gave me permission to sell medical supplies and merchandise as a private individual, but for no reason could I act in an official capacity. This means that we need not expect any more work in this part of Mexico as long as it is controlled by Carrancistas.

This is a day by day report he is making.

There is no truth in his statements as to conditions being improved, as I have previously indicated in one of my reports that if a steady rain came there would be no railroad, which would make it impossible for them to furnish any food supplies to the poeple.

I unloaded 94 tons of corn at Monclova, and 11½ tons of beans purchased from Trueba and Elosua. The corn distributed in Monclova is a shipment we purchased from Eagle Pass Lumber Co., it having some weevil in it. I thought it advisable to get rid of it as soon as possible. The corn I have at Sabinas is 100 tons we purchased from Mr. Boicourt, and is good white corn without any weevil.

In conclusion, I only regret that some of our higher-up Government officials could not have been with me and seen the brand of individuals that are now in control of the situation in Mexico. They do not represent any of the good element in Mexico. They are lawless and have no more idea of patriotism than a yellow dog. They are mentally incapable of handling the situation. Gen. Elizondo, in command of Monclova, and also in command of a district larger than Massachusetts, is a boy of 24 years old, uneducated and absolutely irresponsible. Gen. Zuazua was formerly classed as a saloon bum around Eagle Pass, a lieutenant colonel in command of a territory as big as Rhode Island, sent to the Mexican army by my father some 15 years ago, having been arrested for stealing horses and cattle. These are not the exceptions, but the rule, of the character of men who now dominate one of the richest States in northern Mexico. This fact is largely due to Carranza, who has allowed them to do as they please, and they have no respect whatever for him; each man ruling his

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district as he sees fit. I do not find any difference between the Carranza faction and the Villa faction, with the exception that Pancho Villa seems to have a better control over his men. It is rumored throughout the Carranza troops that Obregon and Villa are about to launch against Carranza.

Having been in personal contact with both factions, I believe that it would be a crime to turn loose this some 200,000 bandits, thieves, and scapegoats on the country. They are rotten with disease and have been divorced from all ideas of ever working again. They will disperse in small bands, and a reign of terror, which no leader such as Carranza would have the strength or power to overcome.

I repeat that if Carranza is given control over the country it will be only a short time until another movement is launched to eliminate Carranza from the situation.

This last report was filed the day before Mr. Carranza was unofficially recognized by this Government, the 9th. They were ordered out on that day.

You were not in the expedition to the border to congratulate Gen. Carranza on his recognition by this Government?

Dr. TUPPER. No, sir; I was not.

The CHAIRMAN. Do you know who went down there to see him?

Dr. TUPPER. I do not from any personal knowledge.

The CHAIRMAN. I meant among the Americans?

Dr. TUPPER. You were not, were you, Senator?

The CHAIRMAN. No, I was not. I am informed, though, that Mr. Douglas was, and I have also been informed there were some other Americans, including Hon. John Lind. However, that may not be correct.

Dr. TUPPER. I do not know.

The CHAIRMAN. Of course, it was perfectly proper. I have no objections to it. But I just wanted to know whether you were there.

Dr. TUPPER. No, sir; I did not know of that.

The CHAIRMAN. No; to refer back to this statement of Mr. Carranza's a moment, that was the statement he gave you, and which certainly was very convincing to you of his purpose.

Dr. TUPPER. Under the circumstances, it so impressed me.

The CHAIRMAN. I notice he says:

As first chief of the constitutionalist army in accordance with the plan of Guadalupe, I will, as soon as practicable after the constitutionalists shall have occupied Mexico City and brought about a condition of peace, call an election for president, vice president, and other elective officers; and I pledge myself that the election shall be absolutely free, and that every citizen of the Republic shall have an opportunity to cast his ballot for the candidates of his choice without fear or molestation. I pledge myself to turn over the Government at once to those chosen by the people and to install them in their positions.

Do you know the cause of the split between Villa and Carranza?

Dr. TUPPER. I do not, sir. It has always been a mystery in my mind.

The CHAIRMAN. Did you ever see a joint letter written by Gen. Obregon and Pancho Villa to Gen. Carranza just before the split?

Dr. TUPPER. I have never seen that letter, sir.

The CHAIRMAN. That is another interesting document.

Dr. TUPPER. I would like to see it. I did not know that it existed.

The CHAIRMAN. It bears upon what they claim was a repudiation of this very pledge that was made.

I pledge myself that the election shall be absolutely free, and that every citizen of the Republic shall have an opportunity to cast his ballot for the candidates of his choice without fear or molestation.

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Do you know whether there ever has been such an election held in Mexico?

Dr. TUPPER. I have no positive knowledge along that line.

The CHAIRMAN. You have not been watching the result of your labors there, Doctor?

Dr. TUPPER. Yes; but I have no positive knowledge about that. My impression is, though, that that election has not been held, according to that statement, but I have never been there during an election.

The CHAIRMAN. You do not know what the requirements were for the election of the governors, municipal officers, members of Congress, at the time that the Congress was elected which adopted this constitution?

Dr. TUPPER. No; I have no positive knowledge of that.

The CHAIRMAN. In view of the statement made here, "that every citizen of the Republic shall have an opportunity to cast his ballot for the candidates of his choice without fear or molestation," it would seem to me it would have interested you to see the proclamation.

Dr. TUPPER. I have never had that opportunity.

The CHAIRMAN. If you had seen it you would have discovered that it absolutely repudiated this pledge, and simply provided that no one should vote, nor hold office, who was not a soldier of Carranza.

Dr. TUPPER. It would seem that conclusion would be necessary from that document.

The CHAIRMAN. I think you read a letter to you from the President. Did you put in the record the letter from yourself to the President?

Dr. TUPPER. No, sir.

The CHAIRMAN. Have you that letter?

Dr. TUPPER. I have not. I have never had any official connection with the Government of the United States, or any official connection with the Government of Mexico. It was merely an informal statement of my hopes that some good would result for the Republic.

The CHAIRMAN. Doctor, you have expressed your views and your sincere hope that intervention would be the very last thing.

Dr. TUPPER. The last of last resorts, I believe, were the words.

The CHAIRMAN. As there has not been any record made of it heretofore, for your information I will call your attention to a cablegram from this committee to El Universal of the City of Mexico, in answer to a cablegram from El Universal to this committee, in which we were asked what we proposed to do, etc. It was addressed to the individual members of the committee, and wanted each of us to give our views with reference to intervention in Mexico.

Dr. TUPPER. Yes.

The CHAIRMAN. This is the answer:

Your cablegram of yesterday to Senators Brandegee, Smith, and Fall received. You ask each individual to state whether at the present time he believes the best means for protecting foreign interests in Mexico is that of armed intervention, which you say would constitute an invasion similar to that of Belgium by the Germans, because of the difference in strength between Mexico and the United States. This committee has been created under a resolution containing explicit directions charging them with certain duties. The committee will discharge those duties to the best of their individual and collective ability, without fear, favor, or prejudice.

Answering your specific inquiry, none of the committee will express any individual views, and in performing their duty and making their recommendations they will be guided by the facts and circumstances as developed through an in-

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vestigation which will be most thorough and exhaustive. Every nation or people claiming the right to be considered as a nation whose rights should be respected must, of course, as you know, be prepared to perform both international and national duties. Each individual member of this committee has hoped that the people of Mexico would of themselves be able to create and maintain a government which would perform such duties without interference of this or any other nation, and this committee yet hopes that the great Mexican people will be able to work out their destiny and earn and retain the respect of all nations which the Mexican Republic for so many years both deserved and received.

Dr. TUPPER. That is very fine. I certainly indorse that. Those are exactly my sentiments. I am glad you read that.

The CHAIRMAN. I think that is all.

Dr. TUPPER. Senator, may I ask your consent to have this filed as merely my statement:[1]

By request of Dr. Henry Allen Tupper, pastor of the First Baptist Church, Washington, he appeared before the Senate committee investigating Mexican affairs and laid upon the table more than 30 letters, cablegrams, and documents setting forth his activities, for years, in Mexico. From these records it was shown that Dr. Tupper's work was philanthropic, educational, and religious; and documentary proof was given that Dr. Tupper received for his activities, covering years in Mexico, an amount of money that only and exactly covered his personal and itemized expenses, he positively and repeatedly refusing to receive compensation for his services.

The CHAIRMAN. Doctor, I have no objection to your reading that into the record. It is your conclusion. This committee is not at the present time finding any conclusions upon collateral matter. There is no objection to your filing that as your conclusion, and not that of the committee.

Dr. TUPPER. I understand that. Before I leave, I wish to thank you for your kindness, and as I have had the pleasure of visiting you, I would be very glad if you gentlemen would visit me some time. I preach in the First Baptist Church at Sixteenth and O.

The CHAIRMAN. That is very kind. We appreciate your invitation.

TESTIMONY OF AMOS L. BEATY.

(The witness was duly sworn by the chairman.)

The CHAIRMAN. Your full name for the record.

Mr. BEATY. Amos L. Beaty.

The CHAIRMAN. Your residence?

Mr. BEATY. New York.

The CHAIRMAN. Your occupation?

Mr. BEATY. Lawyer.

The CHAIRMAN. Judge, are you connected in any way with investments in Mexico?

Mr. BEATY. I am. I am general counsel and director in one of the executive committees of the Texas Co., a corporation in the oil business, that has investments in Mexico, through a subsidiary, the Texas Co. of Mexico.

The CHAIRMAN. Will you kindly state in your own terms, Judge—you are a lawyer and do not need to be questioned, and you know the purpose of this investigation—what your experience has been with reference to your company's properties in Mexico, any incidents connected with such experience which would cast any light upon this situation.

[1] Confidential—to be released when Dr. Tupper appears before committee, probably Friday a. m., Sept. 19.

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Mr. BEATY. There are several phases, Senator, of our experience that I might take up in their order. One is the personal treatment, I may say, or the physical and personal treatment that our people have received. Another is the legal matters, and negotiations with the Government and the proceedings of the departments of the Government, as they affect our properties. And there are various other phases of our relations with the Mexican Government and the Mexican people that I could take up in their order.

I presume that logically the first thing you would expect me to tell about would be our experience in the fields. I will have to say at the start that I do not have any personal knowledge of these matters. I can only give you information based on the reports of our men on the ground and employees in authority, managing the company, superintendents, as they come to me in the regular course of business. I get these reports as one of the executives of the company, and what I tell you will have to be based on them.

The CHAIRMAN. Certainly.

Mr. BEATY. I never was in Mexico in my life, although I was born and raised in Texas.

We have had some rather sad experiences in the treatment of our men in the fields. We did not go into Mexico until 1911 and 1912. Our first investments were small in their nature. They were made in the name of R. E. Brooks and J. R. Sharp, as individuals, as we did not know at that time whether we wanted to organize a company or create the Texas Co. in Mexico and have it protocolized.

There are two small corporations that we acquired some property through. One was the Tampico Co. and the other the Panuco Transportation Co. Gradually these holdings and the business there have expanded as the oil field developed and the petroleum industry in that section developed.

The first of the outrages, as I will call it, that I have in mind—there may have been some minor instances prior to that time, but it is the first one of magnitude that came to my attention—was February, 1918, an attempt to rob one of our paymasters, Ed House and his assistants, or those accompanying him to pay the laborers in the field. It might interest you to have me read Ed House's own report. This was a few days before the 21st. It was the 13th, I believe. It is his own account of the treatment he received at the hands of bandits, bandits who were not held in restraint by the Government. This is his report to the general manager of the company:

I am handing you this report of my attempted trip to the lower district with various moneys, about twenty-two to twenty-four thousand pesos. I have $5,025 for Agua Dulce (hireman), $1,500 for Mr. Semmes, and $4,000 for Mr. Stevenson. I had the producers' pay roll and checks, the Idolo Chinaman, and O'Hare & Meye, and the Chinaman of Agua Dulce; also the monthly roll for the men, and other moneys.

I left the Government dock on the *Alex* at 7.30 a. m., and about 8.40 to 9 near Santa Tomas, in the Chijol Canal, the boat was attacked by seven bandits or robbers. One was stationed some 300 yards from the main body, and on seeing the boat passing him stepped up on the bank and fired some three or four shots as a signal that the boat was coming to a stop. The pilot and all saw several men appear on the bank of the canal, and was signaled to come to the bank, which the pilot did. As the boat neared the place where the robbers were Mr. Frankel began hollering to me that he was shot, and there was considerable confusion, as the boat and all on the boat was in confusion and wanting me to give up the money, saying there were 40 of them.

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As the boat landed, or went where it could, the captain and the engineer and pilot jumped or left the boat, as I had said I would not give up the money, and during this confusion I opened fire on the bandits. (Many details which happened I deem unnecessary to mention.)

After the shooting was over and the robbers gone I had no pilot, no captain, or engineer. Mr. Frankel said he could run the engine and Mr. Fischer acted as pilot, and we returned to Tampico, and I made a personal report to Mr. Miller and the captain of the *Indianapolis*, and later took the money back to the office, and in the meantime learned that the pilot was shot through the left arm. Mr. Niven came to my house last p. m. and informed me that you or there was a scheme to get the money down there, I will thank you if you will let me handle this money as I see best and as I think to the best interest of the company. I feel and I think I have shown to you that I will look to the interest of the company and protect all money placed in my hands, and I will thank you if you will let me consult you and use my judgment in the future, as I am responsible and my life is at stake.

His wishes were complied with, and he was given charge of the Mexican pay roll, which was on the 21st of the same month. I want to read a part of a letter from the vice president of our company to the Secretary of State:

On the morning of February 21 our launch *Alex-2* left Tampico at 7.30 in the morning bound down the Chijol Canal, and ordinarily Paymaster House would have boarded this launch with his funds. Fearing the bandits might be lying in wait for him, he left Tampico a half hour later in the launch *Hoopla*, owned by the Metropolitan Co., and in company with their paymaster, Mr. Minnett, and other Metropolitan employees. A little later the Metropolitan speed launch *Thenedara* followed the *Hoopla*. At about 8.30 a. m. the launch *Alex* arrived at a point in the Chijol Canal about 2½ miles below the Panuco River and was fired into and stopped by bandits, who demanded Paymaster House and his money. Mr. House not being aboard, the bandits robbed the other occupants of this launch. While this robbery was in progress the *Hoopla* arrived and she was immediately fired into by the same bandits. Mr. Minnett and a launch boy were wounded, as a result of which the launch immediately came to the shore. The bandits demanded money, and a number of boxes of silver were passed out by Mr. Minnett. A further demand was then made for gold. The gold coin belonging to the Metropolitan Co. was then handed over to the bandits. About this time Paymaster House appeared in the doorway of the cabin of the *Hoopla* with a shotgun in his hands. A fusillade followed, and Paymaster House, an American citizen, dropped dead, shot through the head. The party was robbed of about 15,000 pesos.

Mr. BEATY. On July 30, 1918, there was another murder, and I will read you something of that:

About 8 o'clock in the evening of July 30, two men entered the pipe-line camp at Tepetate and attempted to rob the cashier, Mr. A. W. Stevenson.

According to information available, it appears that Mr. Stevenson was about to comply with the demands of the bandits and open the safe, but for some reason changed his mind and shouted to Pat Coyne, who was a short distance away outside of the building, to go for help. As soon as Mr. Stevenson shouted for help one of the bandits shot him. He died about 9 o'clock that evening. For your information I inclose herewith a clipping from the Tampico Tribune of July 31, which gives a very good account of the tragedy.

Mr. Stevenson's body was at once brought to Tampico on a Mexican Gulf launch. It was embalmed and shipped to Port Arthur on the barge *Tampico*, to be forwarded to J. Thomas Stevenson, at Arroyo Grande, Calif.

Those are the two murders that our employees have been subjected to.

The CHAIRMAN. Has there been any investigation as to who was responsible for these murders?

Mr. BEATY. I think not. There have been demands for an investigation, but if there has ever been any investigation we did not know anything about it. The demand was made and the matter was re-

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ported to the State Department. I do not know what passed between the State Department and the Mexican Government. I only know that they assured us that these matters would receive attention in the regular way.

Now, there were robberies of Obando camp February 9, 14, 17, and 22, 1918, four days in succession. Money and other articles were stolen. They took what money was there and what articles they could use. A full report of that is here, but I will not read it.

There was a robbery of Joseph M. Reid, Rosas camp, April 6 and 7, 1918. One hundred and ninety pesos taken. I have a full report of that.

There was a robbery of Tepetate camp April 16–18, 1918. Various things stolen. That was reported to the State Department.

There was a robbery in Laguna Tamiahu May 16, 1918. Amount of loss not stated. Yes; the amount of loss was $600.

There was a robbery of Tepetate camp September 26, 1918. Amount not stated. The books, of course, will show it, but I haven't the transcript in my office. It is expected that they took all the money that was there.

Robbery of John Griffith, paymaster, October 5, 1918, $540.

I read these reports, not so much for the importance of the robberies, but to give you the type. I will read the report of C. E. Hasbrook:

I wish to call your attention to the present conditions in Agua Dulce. Capt. Quinones with 15 soldiers arrived at the plant to-day at 5 p. m., announcing that he had very strict orders from the commanding general in this district to seize all commissary supplies and also to take all the gasoline on hand. He maintains that his orders are to search the property and take whatever arms, etc., he can find. He says he is to remain here for a period of 15 days.

In a conversation with Mr. Flynn the captain said that his orders were of a very strict nature to castigate the company for fancied inattention to the wants of the soldiers as to gasoline, and also for the removal of telephone from Lake Dock, and inattention to high officers.

The captain further stated that every movement in Agua Dulce was reported to headquarters by one employed at this works, but would not say who it was.

It is very apparent from present actions that the captain intends to do as he says, i. e., be just as mean as possible.

The men here are beginning to be somewhat dissatisfied with conditions, and if anything can be done to eliminate further difficulties it may help to maintain a full working force.

The CHAIRMAN. What is the name of that captain?

Mr. BEATY. Quinones.

The CHAIRMAN. Who was he, a Carrancista officer?

Mr. BEATY. Oh, yes. Then there was a robbery of our special messenger in Chijol Canal, February 5, 1919, $4,000 taken.

A robbery at Tepetate, March 28, 1918, 7,500 pesos taken.

Robbery of Tom O'Connell, March 29, 1919, 5,000 pesos taken.

In the robbery just referred to, March 28, 1919, at Tepetate, which occurred May 2, Señor Camillio Carrutl, chief of the Italian military command in the United States, in company with the superintendent and Mr. Kincheloe was held up by armed men, and I understand he lost approximately $250 United States money. They didn't find anything on Kincheloe. He, being wise to the game, did not carry any money.

The last depredation that I have a record of occurred on the 5th of the present month, and I want to read the report of that, as being typical of the treatment they received.

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Yours of September 5 with reference to the recent wounding of two of our Mexican tank builders at the Obando lease was received upon my return from Tepetate.

In order to take care of the tank builders who are to erect the two 7,800-barrel tanks on the Obando lease we built four houses to be occupied by them during the construction of the tanks and to be used later by such permanent Mexican labor as we would use on the Obando lease. These houses were erected about 200 yards from the camp houses on lot 153 and just across the line from lot 154.

The Carrancista soldiers were grazing a bunch of horses on lot 154, and on the evening previous to the night in question came onto lot 153 and tried to move into the houses. The tank builders protested, stating that there was scarcely room in the houses for them. The soldiers seemed to have become considerably incensed at the tank builders not moving out and giving them the houses.

Between 2 and 3 o'clock in the morning seven or eight soldiers came over and demanded a thousand pesos from the tank builders. Upon being assured that they did not have the thousand pesos they then demanded 500. When this was not forthcoming, they demanded 100 pesos, and finally dropped to 1 peso. When this was refused, they fired three or four shots into the house, wounding one of the tank builders through the knee by the name of Pablo Gonzalez, and presumably the same bullet going into the second tank builder, by the name of Blaz Martinez, at a point somewhere in the hip and ranging up into the abdominal cavity.

I had Mr. Price, of our engineering department, and Mr. Henry G. Kimball, in charge of the land transportation of Tepetate district, call on the Carrancista general in command at Juan Casiano and ascertain what protection he was prepared to give the men. His reply to this question evidenced that he had already been apprised of the occurrence, and he also stated that he would have the captain in command of the troops at kilometer 22, on the Husteca Road, render such protection as was necessary to the men. He also insisted that the tank builders be sent to Juan Casiano Hospital for treatment, and which they absolutely refused to agree to, and insisted on being brought in, saying that they had rather take their chances, wounded as they were, and to take to the brush than to go to the hospital, intimating that they knew it would be their finish.

It was noticeable that the general expressed no regret or surprise at the affair, but took it as a matter of fact and an occurrence to be looked for at any time.

We brought the men into town, placing them in local hospital, and are giving them the best medical attention to be had. The one wounded through the knee I do not think is seriously wounded, but the one shot in the body is in a bad fix, but stands a fair chance of recovering unless there are some complications which we can not see at present.

The CHAIRMAN. What was that general's name?

Mr. BEATY. I don't think he gives the name. He says, "The Carrancista general in command at Juan Casiano?

The CHAIRMAN. Who was supposed to do the shooting? Were they soldiers?

Mr. BEATTY. Carrancista soldiers. And the wounded men were Mexicans, but employees of our company.

Here is one of the forms of waiver that is being required at this time by the Mexican consuls at the American ports before they visé the passports of employees of this company who desire to return to Mexico or go to Mexico on business. Several of the men have called my attention to this. One of them, in referring to it in a letter to me, said:

Judge, this is the last straw, but it is what I have to sign before the consul will visé my passport. Of course, you are already familiar with the new demand, and it does not change the actual situation one iota. But it is awful humiliating to an American to feel that his Government acquiesces.

(The form of waiver referred to is as follows:)

The undersigned, under oath, deposes and says that he has been warned that the Tampico oil region is a dangerous district on account of the activities of bandits operating in said region. That deponent by reason of his business

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as ——— is on his way to that region and travels at his own risk. That in case some accident might happen to him, hereby he formally renounces the right that he or his heirs might have to present a claim to the Mexican Government either directly of through any other channel.

(Signed) ———.

Sworn and subscribed to before me this —— day of ———, 1919.

(Signed) ———, *Notary Public.*

[Seal, notary public, ——.]

The CHAIRMAN. Have you seen any letters or communications from our State Department with reference to this affidavit that is required to be made?

Mr. BEATY. I saw one in the hands of some one yesterday, and I understand that there were other communications on the same subject. They have taken cognizance of it and have expressed some opinion or some attitude of the department to individuals. I haven't anything of that kind that I can put in the record.

Now, that in substance is the hisory of depredations and outrages as they apply to my company. I am not speaking about any other company. I am trying to deal with our case, what our situation is, so that you will understand our situation in connection with the whole.

The CHAIRMAN. You spoke in several instances of several officers—generals, captains, and others. Your property is generally considered in the district over which Carranza assumes to have control?

Mr. BEATY. Not entirely. I think part of the Tepetate district is in the twilight zone now. I was going to come to the matter of payments that we have been required to make to Pelaez in his district.

The CHAIRMAN. Very well.

Mr. BEATY. We have to make a payment to Pelaez every month, or we have the gravest fears as to what would happen if we did not make the payment. These payments began in December, 1917. The first payment was 2,000 pesos, or $1,000. They continued for two months, and the payments were doubled. Since then we have been paying $2,000 American gold, or 4,000 pesos a month. That is in the territory where Pelaez is supposed to be in control.

I might, before leaving entirely the subject of depredations, file with you an American newspaper published at Tampico weekly, called the Tampico Tribune. This issue is dated August 23. I do not mean this was an average week. It seems that depredations were more numerous than usual. But the headline in the first column is "Transcontinental Co. robbed of $30,000, United States currency Monday." In the third column, "Agwi Co. paymaster robbed of $4,060 gold on road to Tepetate." In the last column "Pen Mex Fuel Co. robbed of $25,000 Mexican at Tuxpam terminal."

Then there is an account down here of injuries to Pat Coyne, who was one of the injured I did not mention, an employee of the Texas Co. It, perhaps, does not have direct relation to governmental operations, but it has an indirect relation, because it is charged a Mexican laborer came in with blood in his eyes and assaulted Coyne with a knife, would have killed him but he was knocked down before he could give the second stab, and that ended the trouble. He was taken away.

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All those things are on the first page of this paper. It might be well to leave it with you, if you would care to have it.

The CHAIRMAN. We would be very glad to have it.

(The articles above referred to in the Tampico Tribune will be found in "Beatty, Appendix B," at the end of to-day's proceedings.)

Mr. BEATY. Now, may I proceed with another subject?

The CHAIRMAN. Yes.

Mr. BEATY. In the early part of 1917 there was some discussion by the oil companies operating at Tampico and removing oil by ship about the necessity of improving the harbor, dredging the canal from the jetties on the river. The Mexican Government expressed a willingness, as I understand it, to go into the project, or to go in on the project, but confessed a lack of funds. There was consideration by the oil companies of proceeding and providing part of the funds, helping the government, getting the work started, the idea being that the additional revenue that the government would get from the movement of oil, the shipping that would come in and go out, would take care of the expense of the dredging, as is usually the case. But they failed to reach an agreement at that time.

At that time my company offered to contribute $30,000 toward helping with the project. It did not go through. The Mexican authorities knew of the negotiations and took it upon themselves to put the project through without the consent of the companies, so far as my company was concerned, at least. The chief executive made a contract with the United Dredging Co. to do the dredging, on a basis of the rate of 26 cents per cubic meter. It was estimated that the amount would be about $2,700,000 American gold. Under their contract they assessed the cost of the dredging against the oil companies, apportioned it among the oil companies, and notified them that they would be required to pay it; that the oil companies would be reimbursed for what they advanced out of 25 per cent, that is, they would get back 25 per cent of the excess of future taxes on exportations. In other words, it would be a rebate in the future so far as the oil companies were concerned. That is the way they were to get it back. They stated that the companies would be allowed to have a representative on a commission to see that their money was properly expended.

I present here an official circular issued by the department of finance and public credits of Mexico, dated March 2, 1917, levying a monthly assessment of $100,000 on the oil companies, to be apportioned between them, to do that work.

(The document above referred to is as follows:)

DEPARTMENT OF FINANCE AND PUBLIC CREDIT, MEXICO,
CHIEF OF THE DEPARTMENT OF TAXES.

[Issue 1. No. 24.]

The department of finance and public credit celebrated a contract with the United Dredging Co. for the dredging and preserving of the bar of Tampico in good condition, promising to pay the dredging company the sum of $100,000. monthly, which has been distributed proportionately among all the petroleum industries that export oil from Tampico, according to note No. 1 attached, and according to the use made of the bar, advising you that this distribution is subject to rectification, if from data collected by the department of finance it should appear that any companies should contribute more fully than now assessed.

With the understanding that the oil companies have the right to watch over the administration of the fund destined for the dredging, such administration

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will be made by means of a commission to be located in the port of Tampico, and which shall have all the powers of collection, management, and the payment of the dredging company. The inspection commission shall be composed of a representative of the department of finance, one of the department of communications and one for the oil companies, to be named by them before the 10th instant.

The amount to be paid by each company shall be paid during the course of the second 15 days' period of each month. These amounts shall be returned to the companies out of 25 per cent of the excess which each one has in exportation, taking into consideration the average shown in the attached sheet.

All of which is communicated to you for your information and for authority to deliver to the commission of inspectors of the dredging of the Panuco River, the amount corresponding to each company according to the attached list.

Constitution and Reforms, Mexico, March 2, 1917.

A. MADRAZO,
Chief Official in the Office.

To Mr. THEO. RIVERS,
Representative of R. E. Brooks.

Mr. BEATY. We took council of Mexican lawyers, besides an investigation for ourselves of the laws, so far as we could interpret them, and the unanimous conclusion reached was that there was no foundation in law for any such demand, no law for it, no basis whatever, no semblance for a basis for any opinion of that kind. My company filed a protest against it. Among other things, my company and the other companies declined to have a man on that commission, because that would be an acquiescence in the plan, of course. If we placed a man on the commission it was an acquienscence in the plan and an agreement to pay it. We received a circular, under date of April 27, 1917, a copy of which I wish to file.

(The circular referred to is here copied in the record, as follows:)

By order of the department of finance and public credit, from this date until further orders all movement of petroleum by the Tampico Co., Texas Co., and R. E. Brooks, will be suspended, and is further provided that a violation of said order will subject the parties to the penalties provided by law.

The foregoing is communicated to you for your information and consequent objects.

Constitution and Reforms, Tampico Tamps, April 27, 1917.

V. GARILLAZO, *Sub Inspector.*

To the SUPERINTENDENT OF THE COMPANIES,
TAMPICO CO., TEXAS CO., and R. E. Brooks, Present.

Mr. BEATY. A few days after that our steamship *Brabant* loaded at Tampico with oil and was ready to sail, and the authorities refused to let it sail until we paid our assessment for this dredging. The *Brabant* was held 48 hours plus after she was ready to go. We finally paid our assessment. My recollection is the amount of it at that time was three months. Our assessment was $9,500 a month American gold. We continued to pay those assessments until recently, when we quit.

The statement of our account of April 29 of this year was as follows: We had paid $391,420.50; we had received gack on credits in exportations, under that refund scheme, $68,873.64.

The oil companies had this matter laid before our State Department about that time. I can not state what representations were made by the State Department, because I do not know. I know that a few days after that we had another boat stopped. I think that was in May of the present year. They would not let that boat sail, and we protested to the City of Mexico, sent a telegram to

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Cabrera. As a result of that they canceled the embargo and let the boat sail. We are not paying that amount any more. We may in course of time get back under this refund scheme the money that we have advanced without any warrant or authority of law compelling us to do so, it being really coercion, but it will take some time, unless they should increase the export tax which is now 10 per cent on arbitrary value.

I will leave with you circular No. 48 for the months of September and October, fixing the valuation on oil, for the purpose of this export tax of 10 per cent. Attached to a copy of the order is a tabulation consisting of a calculation by which we were guided in paying the tax. It is reduced to barrels, the tax per barrel in United States currency. On crude oil of the light gravity the average ranges from 0.1112 to 0.1120. It is nearly 5 cents on the heavy oil, that much per barrel, which is from 25 to 50 per cent, in my opinion, of the market value of the oil at the well.

(The said circular No. 48 submitted by the witness will be found printed in full in "Beatty, Appendix B," at the end of to-day's proceedings.)

The CHAIRMAN. I suggest we take a recess until 3 o'clock. The members of the committee have to make an occasional appearance on the floor of the Senate and we will return here at 3 o'clock to resume your testimony.

(Thereupon a recess was taken until 3 o'clock p. m.)

AFTERNOON SESSION.

At 3.15 p. m. the subcommittee reassembled.

The CHAIRMAN. The committee will come to order.

You may proceed, Judge, when you are ready.

Mr. BEATY. I desire to now call your attention somewhat in detail to actions of the Mexican Government approving adverse denouncements of oil lands held under leases by the Texas Co., of Mexico, and refusals of the Mexican Government to grant the company permission to drill wells on these lands of the company that it holds under leases, except upon condition that the company obligate itself to obey the provisions of the petroleum law to be enacted in the future, or the Government's avowed policy of taking over all wells; in other words, confiscation of our property.

As I said before, the Texas Co., of Mexico—I don't know that I said it was a Mexican corporation, but it was organized under the laws of Mexico, but, as I stated, all its stock, except qualifying shares, is owned by the Texas Co., a corporation of Texas, United States of America, and virtually all of the Texas Co.'s stock is owned by citizens of the United States, some 5,000 in number. The original acquisitions of the Texas Co. in Mexico date back to 1911 and 1912, and were in the name of individuals, citizens of the United States, and through the two corporations I have mentioned. Prior to May 1, 1917, these properties were taken over by the chosen subsidiary, the Texas Co. of Mexico, which has a paid-up capital of 3,500,000 pesos. The total investment of the company is something over 5,000,000 pesos, and its properties are worth a good deal more than that. On all of the lands that I will mention, situated in the

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State of Vera Cruz, the Texas Co. of Mexico holds all leases executed by landowners prior to May 1, 1917. That is the date of the new constitution. At the date of the leases there was in force an act passed by the Mexican Congress in 1884 declaring petroleum to be the exclusive property of the owner of the land.

Now, I will specify here briefly the various properties concerning which we are in controversy with the Mexican Government, specifically in controversy, and then I will file with you a transcript of the correspondence, the petitions, the orders on those petitions, in the form of correspondence between our officials and the departments of the Government.

The CHAIRMAN. Officials of your company?

Mr. BEATY. Officials and representatives of the company, and the head of the Petroleum Division of the Department of Commerce and Labor.

First is lot 34, 36, and 55, Zacamixtle. That property has been denounced by Rafael Cortina under a decree issued in 1918, with which the committee is familiar, I am sure. Those are the decrees providing for denouncement pursuant to the provisions of article 27 of the constitution.

The CHAIRMAN. That property belongs to your company by lease?

Mr. BEATY. Yes, sir.

The CHAIRMAN. And this party whom you have just mentioned——

Mr. BEATY. Has filed on them.

The CHAIRMAN. Has, under the Mexican constitution, made a filing upon or denouncement of that property?

Mr. BEATY. Yes. The company protested by communication dated August 20, 1918, but its protest was overruled under date of August 28, 1919; which simply states that the company must comply with the provisions of the decree of August 12, 1918, or avail itself of the decree of August 8, 1918, in order to receive any consideration. In other words, we must manifest our properties and come under the provisions of the petroleum decree made pursuant to article 27, which declares that petroleum belongs to the nation.

The CHAIRMAN. Have you a copy of the decree?

Mr. BEATY. Yes, sir.

The CHAIRMAN. How was it made? Is it an act of Congress or is it a decree of the President?

Mr. BEATY. A decree of the President.

The CHAIRMAN. Not an act of Congress based on the constitution?

Mr. BEATY. No, sir; it is a decree of the President.

The next is lot 7, Potrero de la Isleta. On July 16, 1919, the company asked permission to drill a well on this land, which was refused by communication dated July 30, 1919, on the ground that the company had not filed the manifest required by the decree of July 31, 1918, nor denounced the property according to the decree. Subsequently, on August 8, 1918, the Government requested the company to send the leased contract under which the property was held, and a copy was forwarded August 12, 1919. By communication dated September 5, 1919, permission to drill was made conditional upon the obligation of the company to observe the precepts of the petroleum law when enacted.

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By communication dated September 6, 1919, the company objected to certain portions thereof.

The next is lot 14, Potrero de la Isleta. That property had been denounced by the Mexican National Petroleum Co. A protest against that denouncement was made, dated January 6, 1919, and the chief inspector on the following day requested a statement of the capital invested in exploration, and a geological report. On January 11, 1919, reply was made, mentioning the amount paid for the land, and other expenses. On June 3, 1919, drilling operations having been begun by the company filing the denouncement, the Texas Co., of Mexico, requested an order suspending operations. That was amplified with correspondence dated from June 7 to June 23, 1919. The Government, under date of July 16, 1919, overruled the protest, because the Texas Co. had not complied with the decree of August 8, 1918. By communication dated July 23, 1919, the Government reaffirmed its position; that is, they affirmed the decision of the chief inspector, stating that the Mexican National Petroleum Co. had complied with the decrees of July 31 and August 8, 1919.

The next is lot 17. Potrero de la Isleta. On June 3, 1919, the company requested permission to drill a well. This was refused on June 9, 1919, on the ground the company had not complied with the provisions of the decrees of July 21, August 8, and August 12, 1918. The company renewed its request on June 30, 1919, and on July 1 the Government replied that, notwithstanding there had been no compliance with the above mentioned decrees, it would not refuse permission, if the company would prove it had complied with the decree of August 12, 1918. On August 8, 1919, the Government requested a copy of certain papers, which was forwarded. So now the matter stands.

The next is lot 114, Chinampa. On May 9, 1919, the company requested permission to drill a well. This was filed with the department in Mexico City. On May 15, 1919, the undersecretary in charge informed the company the application must be filed with the petroleum agency in Tuxpam. That was done on May 20, 1919. On May 26, 1919, permission was refused, under instructions which had been issued August 14, 1918, prohibiting any work on property not manifested. This same property had been denounced by Bennett H. Buchanan, and protest had been made June 30, 1919. The Government overruled the protest of the company on July 21, 1919, on the ground the company had not complied with the decree of July 31, or the decree of August 12 of the same year. The company on September 6, 1919, requested a reconsideration of their application for permission to drill wells on lots 114, 133, 153, and 154, Chinampa, which was refused on the ground the company had expressed its unwillingness to submit to the decrees of July 31, August 8, and August 12, 1918. The company was further advised at that time that if it should drill without permission, the penalty imposed by the decree of January 7, 1919, would be applied, and the well would be taken over by the Government. The company was also warned of the bad faith in which it was held, in relation to other companies, for example, L. Aguilla, Penn-Mex, Tepetate, and others. On September 6 the company asked for reconsideration as to lot 154, Chinampa, and permission to drill was requested June 4, and denied by the in-

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spector on June 12, 1919, on the ground that the company was unwilling to submit to the decrees of July 31, August 8, and August 12, 1918. The ruling of the inspector was approved July 21, 1919. By communication dated September 6, reconsideration was requested.

On three of these properties we are drilling without payment. We are doing that in the face of the warning that the Mexican Government has given our company that if a well is brought in without payment it will be taken over by the Government. We are not doing it for the purpose of creating strife. We are simply doing it in the certainty of our rights, and in the hope that we will ultimately get protection in some way. Instructions on the point of drilling those wells were issued by me. After consulting with the other members of our executive committee, I instructed our manager to pursue precisely the same course; that is, if in the regular course of business and development it was necessary to drill a well, or advisable to drill a well, he should do it, just the same as if these difficulties did not exist; but, on the other hand, he should not drill a well which he otherwise would not start if it were not for the controversy in existence. In other words, he was instructed to pursue the even tenor of his way. One of those wells has probably been brought in this week or will be next week.

The question came up whether to stop drilling, and we told our manager to proceed with the drilling and go on with the well.

I leave with the committee the transcript, as I have described, of the correspondence, the orders in reference to these particular matters. You will find in the transcript copies of the circular issued August 1, 1919, on the subject of permission to drill. It reads as follows:

The President of the Republic has seen fit to order that landowners or assignees (cesionarios) holding the exploitation right who failed to file the manifests provided by decree of July 31, 1918, taxing oil lands and leases, may hereafter undertake oil exploration and exploitation works, provided that they obligate themselves to obey the provisions of the organic petroleum law which Congress of the Union may issue, when requesting the corresponding permission from the Federal Executive therefor.

Permits granted in compliance with the foregoing order shall be of a provisional character and shall be confirmed in accordance with the organic law on petroleum when such is issued.

In order to secure permits for exploration and exploitation the petitioning parties shall present to the department of industry, commerce, and labor the documents evidencing the ownership to the lands for which they desire to use the permits referred to.

Constitution and reforms.

Mexico, August 1, 1919.

LEON SALINAS,
Under Secretary in Charge of the Department.

The circular of January 7, 1915, referred to at various places in this correspondence, reads as follows:

Any petroleum wells brought in as the result of work carried on in violation of this decree shall be regarded as belonging to the nation.

That was reaffirmed and reenacted by decree issued March 20, 1919.

The CHAIRMAN. The date of the circular to which you just referred was 1915, prior to the adoption of this constitution?

Mr. BEATTY. Yes, sir. But by decree issued in the present year it was reaffirmed and continued in force.

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In this correspondence you will find that they have not denied any petition or overruled any of our protests on the ground that we did not have title or on the ground that there was some police rule that ought to be observed. It is placed solely and invariably upon the ground that we have not acquiesced in these petroleum decrees or complied with them, or on the ground that we were unwilling to agree to abide by the petroleum law when enacted. We felt that we could not afford to do that, because the constitution itself says that petroleum is the property of the nation. We assumed it was at least probable that any petroleum law that they may enact may in terms try to carry that out. In other words, it would be a surrender, we fear, of our rights to make any such agreement. These decrees of 1918, made under article 27 of the constitution, according to advice of Mexican counsel, upon which we relied, would have the effect of a surrender of our rights in exchange for a mining license, which would be terminable by the Government and subject to such conditions as the Government might see fit to impose. In other words, we would give up what we call in this country a fee simple in exchange for a mining license, which we were not willing to do.

I want to file with the committee this correspondence I have referred to.

(The file of correspondence referred to by Mr. Beaty was filed with the committee.)

Mr. BEATY. I think the committee probably has a copy of the documents, a copy of the correspondence and documents made by the oil association, protecting these various decrees.

The CHAIRMAN. I think we have; but if you have an extra copy you may leave it.

Mr. BEATY. I will be glad to leave it.

(The document referred to, consisting of a printed pamphlet, The Oil Question, With Documents and Translations, was filed with the committee.)

Mr. BEATY. I will state further that a well is being drilled on one of these lots, lot 114, by the denouncer. We have failed to stop those operations, and they are proceding with the drilling. Our protest had been overruled, and we have been refused permission to drill. In other words, the property is taken. We have taken action we deemed proper in order to obtain the proper remedy, and we intend to bring other forms of action. Proceedings are now pending and undetermined. We are unable to get stay orders, but the suits will be prosecuted, I assume, to final determination. In other words, we propose to exhaust all remedies in the Mexican courts.

The CHAIRMAN. Have you made representations to the State Department at Washington with reference to these different matters to which you have testified?

Mr. BEATY. Covering most of them; yes, sir. In regard to the status of these denouncements and applications for permission to drill, we have not brought the State Department up to date. I have in course of preparation a letter to the Secretary of State which I have not yet completed. I have read from it here in giving my testimony this afternoon, for the sake of brevity. I expect to bring the State Department up to date in the next week or the next few days on these matters. It has been our policy to keep the department advised.

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The CHAIRMAN. Do you know what action has been taken by our State Department on any of these cases?

Mr. BEATY. I do not know. I have not been informed.

Senator BRANDEGEE. What acknowledgment do you get from them when you lay one of these cases before them?

Mr. BEATY. They acknowledge receipt of the communication and say the matter will be given attention. That is the substance of it; proper steps will be taken.

Senator BRANDEGEE. Then you do not hear any more from them?

Mr. BEATY. I think not. I do not think we have had any further advices in any case. I have in the files copies of letters of the kind I have described in reference to these outrages. I will put them in the record if you desire.

Senator BRANDEGEE. You mean your letters to the department?

Mr. BEATY. Yes, sir; I have copies of our letters and their replies.

The CHAIRMAN. You mean with respect to the robberies and murders?

Mr. BEATY. With respect to the robberies and murders.

The CHAIRMAN. And you have copies of their replies?

Mr. BEATY. Yes, sir.

The CHAIRMAN. You might file them, and copies of your letters.

Mr. BEATY. I will do so.

(The copies of letters written by Mr. Beaty to the State Department, and replies of the State Department thereto are printed in full in "Beaty, Appendix B," at the end of this day's proceedings.)

Senator BRANDEGEE. Do you mean to say, in none of these cases where you laid these complaints before the State Department, and the State Department acknowledged receipt of your communications, did they advise you later what representations they had made to the Mexican officials about it?

Mr. BEATY. That is what I mean to say.

Senator BRANDEGEE. Over how long a period have you been filing your complaints with the State Department and receiving that sort of treatment?

Mr. BEATY. It dates back to the beginning of the outrages.

Senator BRANDEGEE. Well, I shall have to ask another question. When did the outrages begin?

Mr. BEATY. I have stated that—February, 1918.

Senator BRANDEGEE. Have you made any personal representations to them, or sent anybody to talk to anyone in the department?

Mr. BEATTY. Yes, sir; we have discussed it with them personally several times.

Senator BRANDEGEE. You may have answered this, because I was not here all the time while you were testifying. Did you get any more satisfaction when you talked to them personally than you did when you communicated with them in writing?

Mr. BEATY. Yes, sir; it was more satisfactory, and we could get the real feeling of the person to whom we were talking and how the department feels about it. But we have not inquired what the representations were that have been made to the Mexican Government. We have not pressed that. We felt that it would have been given to us if they had felt we were entitled to it. It was a delicate sort of matter, and we have not pressed them for anything of that kind.

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Senator BRANDEGEE. I would not regard it as so delicate, if my interests were involved, that I could not ask them whether they had had any response to representations or promises they made in my behalf.

Mr. BEATY. I really have not pressed it at all.

Senator BRANDEGEE. That is all the satisfaction you ever got from any of them?

Mr. BEATY. That is all we have got. We have not followed them up.

Senator BRANDEGEE. Who signed those letters from the State Department?

Mr. BEATY. That is Mr. Adee, Second Assistant Secretary of State.

Senator BRANDEGEE. I assume that if any satisfactory replies were received to the repre entations that they instructed our embassy to make to the Mexican Government they would have notified you.

Mr. BEATY. Probably that is the reason we have heard nothing further.

The CHAIRMAN. Does that conclude your statement upon the various points, Judge, that you desired to bring to the attention of the committee?

Mr. BEATY. Yes, sir.

The CHAIRMAN. There is one matter that might be a little confused in the record—in regard to the refusals of the Mexican Government to allow you to drill, and statements with reference to attempts made to drill under denouncements on your lands, and statements with reference to the right of the Mexican Government to refuse you permission to drill, etc. Have any of those statements been made to the department by you? Have you called to the attention of the State Department any of these matters?

Mr. BEATY. I do not think so. The matter has been brought to the attention of the State Department by the representative of the oil association. The companies have associated themselves together to make common cause, and they have a representative who has taken it upon himself to keep the State Department advised as to all these circulars and rulings, and I am sure it has been covered. For instance, if they make a ruling that they require you to agree to be bound by some future law, that is laid before the State Department by our representative.

The CHAIRMAN. That is, the representative of the association?

Mr. BEATY. Yes. I have relied on that representative up to date, but I am going to lay all of our cases before the department within the next few days.

The CHAIRMAN. For your particular company?

Mr. BEATY. Yes, sir. I will do that within the next few days. I may have created the wrong impression by saying the representative had done this. He was fully authorized to do it, and we have relied upon his doing it. I did not mean to say that he had assumed the authority. He has been expressly authorized by the association and its members and is acting in accordance with their instructions.

The CHAIRMAN. Who is that representative?

Mr. BEATY. Mr. Frederick N. Watriss.

The CHAIRMAN. He was the witness who was before the committee two or three days since?

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Mr. BEATY. Yes, sir; I saw in the paper he had been before the committee.

The CHAIRMAN. Judge, has this association, to your knowledge, been engaged in any public propaganda in this country for the purpose of bringing on armed intervention between the United States and Mexico, or for any other purpose?

Mr. BEATY. It has not.

The CHAIRMAN. Is your company a member of the Association for the Protection of American Rights in Mexico?

Mr. BEATY. Yes, sir.

The CHAIRMAN. Do you leave your publicity matters to that association? That is, in line with its work, do you leave your publicity matters to it or do you have a publicity bureau of your own—your company or your oil association?

Mr. BEATY. The company has no publicity bureau organization of its own. The oil association has a committee that scouts for publicity that is being carried on, or propaganda being carried on, and if it is possible that committee or members of the association look out for those things and endeavor to combat them.

The CHAIRMAN. What means have you used to combat them; what instrument? Do you attempt to combat them through the Association for the Protection of American Rights in Mexico or through your own organization?

Mr. BEATY. They are combatted principally through the national association. Now and then something is done through the oil association; somebody will write something. For instance, I hold in my hand a brief that I wrote on the rules of American law invoked by the Mexican Government in proceedings brought by the oil companies, in which I undertook to demonstrate, as a matter of American law, that their position is untenable. It is a brief prepared for lawyers, and this was copied in a good many magazines in Mexico in Spanish and was extensively read, I understand. And recently, in the brief of the counsel for the oil companies, it was reproduced as a statement of American law. They had invoked American law to sustain these decrees, and to demonstrate that article 27 was not confiscatory. But that is something that might occur in the United States of America. This was for the purpose of offsetting that. That is the kind of publicity we have done, if you call it publicity. Mr. Kellogg wrote an article in some of the magazines giving his theory in regard to the contentions being made on that subject in Mexico.

The CHAIRMAN. Has your oil association ever, publicly or otherwise, advocated armed intervention in Mexico?

Mr. BEATY. It has not. I think it is the desire of every member of the association to see these matters settled in some other way, if possible.

The CHAIRMAN. That is all the questions I care to ask. We would be glad to have you leave with the committee that copy of the brief to which you have referred.

Mr. BEATY. I will be glad to do so.

(The copy of the brief referred to by the witness was filed with the committee.)

Mr. BEATY. Before I go, I might call your attention to these two leaflets. They were received by a lady voter living in Rye, N. Y. Her

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husband, though a voter at the same place, did not receive any such circulars. They, or at least one of them, purports to have been issued by the League for Democratic Control, Room 79, 2 Park Square, Boston, Mass.

The CHAIRMAN. Are there any names by which they can be identified?

Mr. BEATY. That is as far as I can go in identifying it, except the "Mr. Badger Clark," whoever he may be. They are both very pronounced anti-intervention propaganda. That is all I know about it, what I have told you. I lay it before you.

Senator BRANDEGEE. Is there anything in it that is not fit for publication?

Mr. BEATY. That might apply to all of it.

Mr. BRANDEGEE. I notice you did not read it. I did not know but you were afraid we would be shocked by it.

Mr. BEATY. No; I don't think there is anything that would be shocking. It is an appeal to the women of the country to have their men put on the white feather.

(The leaflets referred to, entitled "Mexico, a Parting of the Ways," and "Mexico and Mr. Gompers," will be found printed in full in "Beatty, Appendix B," at the close of this day's proceedings.)

The CHAIRMAN. You spoke of having seen a letter of the department concerning its affidavit required by the Mexican authorities to be signed by those desiring to go into the Tampico district in Mexico. Examine this and see if that is the letter you referred to. I am requested to keep the name of the party to whom it is addressed out of the record.

Mr. BEATY. Yes; that is the letter that I had in mind, that I saw yesterday.

The CHAIRMAN. That will be filed and printed in the record. The reporter will keep the name of the party to whom it is addressed out of the record.

(The letter referred to is here copied in the record in full as follows:)

DEPARTMENT OF STATE,
Washington.

SIR: The department acknowledges the receipt of your letter of — date, in which you state that as an American citizen engaged in business in the oil fields south of Tampico, Mexico, you hold an American passport, issued by the American consul in Tampico, and that on applying to the Mexican consulate in New York to have this passport visaed, in order that you may resume your occupation in Mexico, you were required, as a condition precedent to such visa, to sign the following affidavit:

"The undersigned, under oath, deposes and says that he has been warned that the Tampico oil region is a dangerous district on account of the activities of bandits operating in said region. That deponent, by reason of his business as employee, is on his way to that region, and travels at his own risk. That in case some accident might happen to him, hereby he formally renounces the right that he or his heirs might have, to present a claim to the Mexican Government, either directly or through any other channel."

You ask to be advised as to your rights in the matter, and whether the Government of the United States recommends that you sign the affidavit in question. You also request the views of the department as to whether the making of this affidavit would act as an effective waiver of the rights of your heirs, in case of your decease by violence in Mexico.

In reply, you are informed that the department takes the position that the making of such an affidavit by an American citizen would not annul the relations existing between him and the Government of the United States or cancel

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the obligation of the Government to protect him in the enjoyment of those rights to which he is entitled by the applicable rules and principles of international law.

Having assumed this attitude, the department must leave it to interested American citizens to determine for themselves whether they will make the affidavit in question.

For the Secretary of State:

ALVEY A. ADEE.

TESTIMONY OF C. H. RATHBONE.

(The witness was duly sworn by the chairman.)

The CHAIRMAN. You may state your name.

Mr. RATHBONE. C. H. Rathbone.

The CHAIRMAN. Your residence?

Mr. RATHBONE. No. 120 Broadway, New York.

The CHAIRMAN. Your occupation?

Mr. RATHBONE. The oil business.

The CHAIRMAN. Mr. Rathbone are you connected with any company or with any business in the Republic of Mexico?

Mr. RATHBONE. Yes, sir.

The CHAIRMAN. What is that connection?

Mr. RATHBONE. The connection is with companies interested in the production of oil, transportation of oil, loading on to ships.

The CHAIRMAN. What are the names of the companies?

Mr. RATHBONE. The producing company is known as the Tal Vez Oil Co. The transportation company is the Tampico Naval Co. The terminal company is the Producers' Terminal Co. We only own one-half of that.

The CHAIRMAN. Where is the Tal Vez Co.'s stock held?

Mr. RATHBONE. It is held principally by a United States corporation, called the Southern Oil & Transport Corporation.

The CHAIRMAN. Where are the properties of these companies, or either of them, or all of them?

Mr. RATHBONE. In the Tampico oil region.

The CHAIRMAN. In Mexico?

Mr. RATHBONE. Yes, sir.

The CHAIRMAN. Does either of these companies own oil lands or real estate there?

Mr. RATHBONE. Senator, I should have mentioned the Scottish Mineral Oil Co. among those companies. It controls about 30,000 acres of leases, and the Scottish Mineral Oil Co. controls the Tal Vez Oil Co.—owns the majority of the stock.

The CHAIRMAN. You say their real estate holdings, through leases, are approximately 30,000 acres?

Mr. RATHBONE. Yes, sir. There are about 25,000 that is leased and about 5,000 acres in fee.

The CHAIRMAN. From whom was the title, or how was the title to the fee estate acquired—from the Mexican Government or from individuals?

Mr. RATHBONE. From individuals.

The CHAIRMAN. And the leases?

Mr. RATHBONE. The leases were taken along about 1910 from various owners of the lands.

The CHAIRMAN. Do you know how long those titles to those various owners dated back—or any of them?

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Mr. RATHBONE. I could not state that, but I think for a number of years. I have reason to believe that nearly all of them date back for a number of years, because they were owned by old residents. They owned them certainly for nine years that we know of.

The CHAIRMAN. Have you had any difficulty with the Mexican Government or its officials concerning the handling or working of your properties?

Mr. RATHBONE. We have this: That there was a permit asked for to drill upon one of our properties by a Mexican citizen. That was along in December of 1918. As soon as we were advised of the application for a permit we had our attorney in Mexico to enter a protest to the department of commerce and labor, from which the permits are granted. That was finally decided against us, and then we entered an amparo against the act of the department.

The CHAIRMAN. An amparo proceeding corresponds more nearly to an injunction under our law?

Mr. RATHBONE. Yes; more or less like an injunction. We had our attorney enter an amparo against the department of commerce and labor in granting that permit. That was decided against us, some time along about the 1st of August, this year, for the reason that we did not comply with the Mexican laws or decrees, and that the party applying for the permit had taken out the denouncement and the permit to drill. Of course, we did not do that.

The CHAIRMAN. You say the Mexican laws and decrees. What laws do you mean?

Mr. RATHBONE. I am speaking now of the decrees of July and August, 1918.

The CHAIRMAN. And not the acts of Congress, but the mere decree of the President?

Mr. RATHBONE. Yes, sir. After this amparo was decided against us, our attorney made an appeal from the district court in Mexico City to the supreme court, asking for a revision. On that there has never been any action taken as yet.

The CHAIRMAN. Were any representations made by your companies, or either of them, to our State Department here, with reference to the actions of the Mexican Government and officials?

Mr. RATHBONE. Yes, sir; I have made some representations, and when I have done so I advised them of the fact that the Scottish Mineral Oil Co. is a British corporation, but the reason that I appealed to our own State Department was that the stock of the British corporation is owned almost entirely by American citizens. Therefore, I appealed to them. We have also kept advised the British interests. We have given them a full statement of our case from the time the lease was taken in 1910 up to the time it was jumped, and now they have brought in a well on it that they claim is bringing in 30,000 barrels, and they are drilling another well.

They appealed to the manager, or went to the manager, of our transportation company at Tampico soon after the well came in, and wanted to arrange for the transportation of the oil. Of course, we could not do that. The State Department and the British Embassy have both been advised of the bringing in of the well and the action that we had taken. They have copies of the whole proceedings from the time we took the lease in 1910 up to the present time, and also a copy of the decision against us.

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The CHAIRMAN. What action, if any, has been taken by our State Department, if you know, with reference to this case?

Mr. RATHBONE. I have had three or four communications with them. I have received that many replies. I have received replies acknowledging receipt of the memorandum of the history of our case from the time the lease was taken down to now; I have acknowledgment of the decision—a certified copy of the decision that was rendered against us by the district court; I also have letters of acknowledgment of the same from the British Embassy—of those two documents.

The CHAIRMAN. Has the American State Department notified you of what action they took, if any, in the premises?

Mr. RATHBONE. The last letter which I received, which was an acknowledgment of the certified copy of the decision rendered against us, advised us that they had taken it up with their embassy in Mexico by telegram, asking them, in effect, to advise the Mexican Government that they would not expect any injustice to be done to us. In effect. I can give you a copy of the letter if you care for it.

The CHAIRMAN. We would be glad to have you file a copy of the letter with the committee.

Mr. RATHBONE. I shall be pleased to have the copies—would you like a copy of the letter to the British Embassy?

The CHAIRMAN. We would like a copy of the letter to the British Embassy; yes.

Mr. RATHBONE. Both of them.

The CHAIRMAN. Did the British Embassy take any action in the matter?

Mr. RATHBONE. Yes; they advised use that they had taken it up with His Majesty's Government, and that when the time came to act we could feel sure that they would interest themselves in it.

The CHAIRMAN. Has the British Government an ambassador, that is, a minister in Mexico, at the present time?

Mr. RATHBONE. They have not; they have not an ambassador now, because they have never recognized Carranza; but they have a man there by the name of Cummins, who, in a way, represents them as far as he can.

The CHAIRMAN. Is he the man recently reported to have been ordered out of the Republic by Carranza?

Mr. RATHBONE. Yes, sir. Had the "thirty-three" applied to him.

The CHAIRMAN. By having "thirty-three" applied you mean the provisions of article 33 of the constitution were applied?

Mr. RATHBONE. That is the idea exactly.

The CHAIRMAN. Have you a copy of that letter from the embassy?

Mr. RATHBONE. I haven't it with me, Senator, but I will forward it to you. I will go back probably to-night and I will forward it to you. You would like the communications we had with the State Department?

The CHAIRMAN. Yes, sir; all those communications.

Mr. RATHBONE. I should be pleased. I did not bring them with me at this time, because I did not know you would care for them.

The CHAIRMAN. I have no doubt that our State Department will furnish this committee with copies of such correspondence. They have been requested by the committee.

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Mr. RATHBONE. Well, I should be glad to furnish them anyway.

The CHAIRMAN. As yet we have not received them. We have every reason to believe that they will be received, of course.

Mr. RATHBONE. Yes. I have a copy here, Senator, of the documents that have gone into the British Embassy and our State Department.

The CHAIRMAN. They should be filed with the committee.

Mr. RATHBONE. I should be glad to give this to you. I brought this for that purpose.

The CHAIRMAN. Very well, sir.

Mr. RATHBONE. It gives a history of our case right down through the present time.

(The data mentioned is printed in full in "Rathbone, Appendix C," at the end of to-day's proceedings.)

The CHAIRMAN. Your companies or some of them, were interested in the Tampico Navigation Co.?

Mr. RATHBONE. Yes, sir; that is one of our subsidiaries. We own a very large control in that.

The CHAIRMAN. Have you had any difficulty at any time with any of the Mexican officials or those who claim to be officials of the Mexican Government, either military or civil, as to the property of that company?

Mr. RATHBONE. Well, back along in 1914, and in advance of that, or, we will say, a year, we were operating a plantation about 100 miles from Tampico upon which we had about 1,000 acres out in cane; a beautiful irrigation plant.

The CHAIRMAN. You mean sugar cane?

Mr. RATHBONE. Yes, sir; sugar cane. We have not put up a sugar mill yet but we are making alcohol and making it a profitable business. They commenced to come there, different bands at different times. We were isolated and they would make demand for provisions from the stores, they would turn their horses into the cane, call for money, and after paying them—I would not attempt to say how much, but it was a great many thousand pesos, in amounts from time to time extending, we will say, over a year, and their demands then were getting so great that we could not keep up with them and advised them so, and when we did that they burned a great deal of the cane and burned some of the stills, creating great destruction there, drove our men off. We had about fifty families there and that place has been abandoned since then.

The CHAIRMAN. Under whose command were these forces, if you know?

Mr. RATHBONE. There were different bands. While I was not on the ground myself, they were represented to us to be—one band in particular who said they were operating under Candido Aguilar; another one claimed they were operating under the direction of Pedro Rodriguez. He was quite a factor there at one time. And this was after Carranza had control—that is, he was the biggest factor down there at that time.

The CHAIRMAN. Candido Aguilar was one of the Carranza military leaders?

Mr. RATHBONE. Yes, sir; I understand his son-in-law.

The CHAIRMAN. Son-in-law?

Mr. RATHBONE. I understand a son-in-law of Carranza.

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That plantation to-day is abandoned.

The CHAIRMAN. Have you ever received remuneration from anyone for the damage done?

Mr. RATHBONE. No, sir. There was an accounting of it put in, and even before the destruction occurred there were representations made to the State Department of the losses that were being sustained and a valuation, I believe, put upon it.

The CHAIRMAN. I notice from the reports in the press that some Mexican commission is considering claims of damage of that kind.

Mr. RATHBONE. Yes, sir.

The CHAIRMAN. Do you know anything about that?

Mr. RATHBONE. No, sir; nothing only what I have seen in the press.

The CHAIRMAN. But your claim has been filed?

Mr. RATHBONE. The president of that company, I understand, filed a claim way along in 1914, but before that he had placed a valuation upon it and filed it with the American consul, I think in Tampico, as all were asked to do at one time along about 1913.

The CHAIRMAN. Would your company have any objection to this committee acquiring the papers in that case representing your claim for damages?

Mr. RATHBONE. I should be very glad to see if I can not get them for you. They are in Tampico, but I think I can get them for you.

The CHAIRMAN. The reason for asking the question is that it has been suggested to the committee by a representative of the State Department that possibly some Americans might not desire to have this committee have possession of the papers concerning their claims, for one reason or another. I did not know that there was any——

Mr. RATHBONE. I am not an officer of that company, but I think I can get them.

The CHAIRMAN. They did not mention any company.

Mr. RATHBONE. I think I can get them from the Tampico Navigation Co., and get the valuation that was placed upon the property before the destruction took place, when it looked imminent it was going to take place.

The CHAIRMAN. We were instructed by the Senate to look into matters of that kind. That is one of the subjects of our investigation, and we will get all we can on it. Very likely we will be furnished with any evidence there is in the State Department files, and certainly will be unless the individuals who filed it object to it being given.

Mr. RATHBONE. I see no reason why there should be any objection to it. I will speak to the president of that company about it. I am not an officer of the Tampico Navigation Co., but I am in the other companies.

The CHAIRMAN. Is there any other statement, Mr. Rathbone, you care to make concerning this matter? If so, please do so, otherwise I know of nothing further.

Mr. RATHBONE. The only thing that I would like to state myself, directly, is that I am interested in a ranch that we have owned now for about 12 years of about 25,000 acres. It was a cattle ranch,

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and we found that it was very adaptable to the raising of henequin, which is a fiber, the same as they raise in Yucatan, so we got several hundred acres of it put out.

The CHAIRMAN. When was this?

Mr. RATHBONE. This was up to about five years ago.

The CHAIRMAN. About 1914?

Mr. RATHBONE. Yes; along about 1914.

The CHAIRMAN. Where is the ranch?

Mr. RATHBONE. It is near Victoria, the capital of the State of Tamaulipas. It contains about 25,000 acres, and it is a cattle ranch. We had about a thousand head of cattle on there and a great many saddle horses. They came in there first—I don't know what band it was. It was a band, but I don't know who they claimed to be under. But anyway they were bandits. They came there and took ever saddle horse we had. We had 34 of them; took them off the ranch with all the saddles we had. And the result of that is that cattle go wild if they don't have men riding around amongst them. So the cattle have all gone wild. They go in there occasionally and round up a few of them and help themselves. So that is a wreck.

The CHAIRMAN. Have you been able to round up cattle and sell them at all?

Mr. RATHBONE. No, sir; very few. On the start, soon after our horses were all taken, they did catch at the corral when the water was low—they had to come there for water—they did catch some of them, but aside from that it was a total loss.

The CHAIRMAN. What became of your henequin experiment?

Mr. RATHBONE. Well, we can not get in there to take care of it, cut it, and put in a mill. We don't dare to put in a mill. And the manager, who was an American, could not stay there. He had to go into Texas. He is over there yet and is paying the taxes through a Mexican, one who he could depend on. But the thing is a wreck. The house, which was a stone house, is a battered, old, leaky thing, now, and the roof ready to cave in, and our manager had to get out of there. He was threatened.

I think that is about as far as I can go.

The CHAIRMAN. How far is this ranch from the capital of Tamaulipas?

Mr. RATHBONE. It is about 25 miles from the capital of the State of Tamaulipas, Victoria.

The CHAIRMAN. Do you find your Mexican employees, who were under your American foreman loyal to your interests?

Mr. RATHBONE. Some of them, yes; but after we lost our horses we had to let most of them go. There were two of them and their families allowed to live there, and we provide for them, and one of them goes over into Texas to see him occasionally and make a report; goes over there twice a year, or something like that, and they are holding possession of the property.

The CHAIRMAN. Do you want to ask him anything?

Senator BRANDEGEE. No.

The CHAIRMAN. That is all, Mr. Rathbone. We are very much obliged to you, sir.

Mr. RATHBONE. Thank you.

The CHAIRMAN. You will send us those letters?

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Mr. RATHBONE. I will surely do that.

(The witness was excused.)

The CHAIRMAN. I think that is all the testimony we will take to-day. The subcommittee will stand adjourned until 11 o'clock to-morrow morning.

(Thereupon the subcommittee adjourned until to-morrow, Saturday, September 20, 1919, at 11 o'clock a. m.)

TUPPER APPENDIX A.

INTERNATIONAL PEACE FORUM,
New York, July 20, 1912.

Rev. HENRY ALLEN TUPPER, D. D., LL. D.,
Brooklyn, N. Y.

MY DEAR DR. TUPPER: I have the pleasure to inform you that you have been appointed one of the honorary vice presidents of the International Peace Forum and special peace commissioner. We are assured that you will honor these positions, and by your diplomatic wisdom, with the hearty cooperation of the International Peace Forum, bring about much good through your endeavors. We are very much interested in the efforts that you are making for the restoration of peaceful conditions in the Republic of Mexico, and I assure you, my dear doctor, that our forum will do all in its power to aid you in this blessed service.

Sincerely, yours,

JOHN WESLEY HILL, *President.*

DEPARTMENT OF STATE,
Washington, May 14, 1913.

Mr. HENRY ALLEN TUPPER,
1904 Ross Avenue, Dallas, Tex.
(Care of Dr. F. S. Davis).

SIR: I beg to acknowledge the receipt of your letter of April 24, from New York, and to express my interest in the efforts you are making in behalf of peace in Mexico.

I am, sir, your obedient servant,

W. J. BRYAN.

EAGLE PASS, TEX., *August 27, 1913.*

Dr. HENRY ALLEN TUPPER,
International Club
(Care Capt. Armstrong):

We are informed with great satisfaction that you have taken the first steps in your efforts toward the realization of our ideals.

We thank you most sincerely and beg to congratulate you for helping the interests of the constitutionalists, as in doing so you are defending the fundamental principles of freedom and democracy in America.

(Signed by 20 Mexican Constitutionalists.)

GEN. CARRANZA'S STATEMENT.

NOGALES, SONORA, *November 2, 1913.*[1]

Dr. HENRY ALLEN TUPPER.

MY DEAR SIR: According to your wishes, expressed in conversation with myself, to ascertain the purposes of the Constitutionalist Party, I shall answer in a few words the questions by which you have made your request. To the first question, what are the purposes and ideals of the Constitutionalists, I answer: To continue this armed struggle until the so-called government of Huerta is ousted, as the reestablishment of peace in Mexico is not possible until one of the two parties opposing each other in this struggle is annihilated—the party of retrogression, headed by Huerta, or the Progressive and Reform Party, which I represent as commander in chief of the Constitutionalist Party.

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[1] Original Spanish dated "Hermosillo, Son, October 31, 1913."

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The ideals of our party, once obtaining triumph, are to establish all the political and economical reforms which the country needs for the betterment and welfare of all classes of society, reforms which will assure a lasting and firm peace.

To the second question, what success have the purposes of the Constitutionalists on the battle field and among the people of the Republic, I answer: My purposes are being fulfilled on the battle field due to the support that the nation is giving to our cause, as has been demonstrated by the constant triumphs, especially the last ones, that are known to all the nation, notwithstanding the steps constantly taken by Huerta to prevent the truth from becoming known, which has contributed to his final discredit.

The third question, as to the future purposes of the Constitutionalists when they shall have triumphed, is already answered in the first.

To the fourth question, as to the attitude and action that the Constitutionalists wish from the United States, and the necessary results that would follow such action, I reply: The Constitutionalists wish that the Government of the United States would change the conduct that has been followed toward us up to this time, and that it would permit the free importation of arms and ammunition by us and by the Huerta régime, also, if the Government desires. This would soon terminate the struggle. By not doing this the war will prolong itself, as we shall be obliged to arm and equip our men as we have been doing in the past, that is by capturing from the Huerta forces artillery, arms, and ammunition, with which we shall continue to give them battle and defeat them, until the final and definite triumph of our forces, which triumph is already conceded by the world.

VENUSTIANO CARRANZA,
Commander in Chief of the Constitutionalist Army.

The Constitutionalists not having had any official correspondence with the United States Government, this statement was given to Dr. Tupper with the knowledge that it would be transmitted to Secretary Bryan, and as a final and official declaration of their position.

PEACE RESOLUTIONS.

EL PASO CHAMBER OF COMMERCE,
El Paso, Tex.

We, as citizens of El Paso, Tex., representing the business interests of the largest city of the Mexican border, assembled on May 29, 1913.

Resolved, That our appreciation and congratulations be extended to Dr. Henry Allen Tupper, the special peace commissioner of the International Peace Forum for the work he has accomplished and is accomplishing looking toward peace in Mexico.

Second. That we heartily indorse the forceful suggestions offered by Dr. Tupper in reference to the Mexican situation.

Third. That we respectfully suggest that the commissioner, Dr. Tupper, present these views as promptly as possible to the leaders in Mexico and to President Wilson and Secretary Bryan, of Washington.

Fourth. That, as Dr. Tupper has suggested, it is preferable for the initiative in this movement to be taken by the leaders in Mexico, but as an acute crisis has been reached, it is our opinion that the United States Government should wisely and firmly act in this matter rather than have a prolongation of this terrible and increasingly destructive struggle.

Fifth. That we express the hope that Dr. Tupper will continue his good work and diplomatic services until the desired end is reached; and because of our self-interest and interest in humanity we desire to assure him of our special sympathetic cooperation in his splendid services as special peace commissioner of the International Peace Forum.

Sixth. That copies of these resolutions be sent to the leaders of the Federalists and Constitutionalists in Mexico, and to President Wilson and Secretary Bryan at Washington.

V. R. STILES, *President.*
A. W. REEVES, *Secretary.*

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SALTILLO, COAH, *June 22, 1914.*

HENRY ALLEN TUPPER,
Hotel Santa Rita, Tucson, Ariz.:

Your appreciated message of the 19th received. You will please come here, where I will have the pleasure of saluting you.

V. CARRANZA.

BALTIMORE, *April 25, 1913.*

Dr. HENRY ALLEN TUPPER,
1904 Ross Avenue, Dallas, Tex.
(Care of Dr. Frank S. Davis.)

MY DEAR DR. TUPPER: I beg to acknowledge the receipt of your esteemed favor of the 24th instant, and I assure you that I regret very much, owing to your hurried call from New York, I will not have the pleasure of seeing you, and this especially on account of the letter which you have inclosed from Mr. Gould. I trust that your mission will meet with success, and that through your kind and wise mediation peace may be restored.

Most faithfully, yours,

J. CARD. GIBBONS,
Archbishop of Baltimore.

INTERNATIONAL PEACE FORUM,
New York City, February 6, 1914.

MY DEAR MR. TUPPER: As you are leaving us again to-morrow, on your fifth trip to Mexico, as our special peace commissioner, I want to say a few words of appreciation of your work before you go, as I may not see you in the morning.

I know I am speaking for all the officers when I say that one and all appreciate the ability, the tact, and careful diplomacy with which you have conducted your work as our special peace commissioner in the interest of bringing about a speedy settlement of the difficulties in Mexico. Your care in getting definite details from both sides, your willingness to face difficulty and even personal danger in consulting with both sides, the esteem with which both parties in the conflict have held you, as shown by their desire to have you with them in their campaigns, have indicated to us the openmindedness with which you have set about your task.

I am writing personally, as secretary, of course, but as I have talked with the other officers I know that I can say as much as I have for them all. Let me add just this one word further for myself, and that is that it rejoices me to know from the letters you have had from Senators and Congressmen in Washington, as well as from the leaders of the forces in Mexico, that your work for international peace has been recognized so fully and so freely, and I feel that you have conferred distinguished honor upon our International Peace Forum by representing us in the field.

Trusting that on this trip you will be able by your efforts to bring about an honorable and lasting peace with Mexico, I remain, with all good wishes for your success and the success of our mutual work,

Yours, very cordially,

WILLIAM CARTER.

Dr. HENRY ALLEN TUPPER,
34 Gramercy Park, New York City.

EL PASO, TEX., *April 3, 1914.*

Hon. Dr. HENRY ALLEN TUPPER,
Commissioner International Peace Forum, El Paso, Tex.

MY DEAR DOCTOR AND KIND FRIEND: Before you leave this city I take special pleasure in expressing my everlasting sense of gratitude to you for all the kind offices you have rendered on behalf of my son's life and liberty.

You have certainly been commissioned by a higher power than that of this world, fitting you as the essence of a true humanitarian. Your services, more than anything else, are living proof of the value of the International Peace Forum, which you so ably represent, and which is at this time headed by no less eminent a statesman and personality than Hon. William H. Taft, ex-President of the United States.

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Please bear in mind, my dear friend, that I will ever harbor the deepest sense of gratitude to you, joined by all my family and friends, and I wish you to do me the kindness to convey my deep and sincere feeling of gratitude to the noble institution that you so ably represent, and specially to present to Hon. Woodrow Wilson, Hon. William H. Taft, and Hon. William J. Bryan my deepest sense of gratitude for the kindness they have extended to me and to my family on behalf of my son's life and the restoration of his liberty.

Wishing you the highest measure of success in all that you undertake, believe,

Very sincerely, yours,

LUIS TERRAZAS.

NEW YORK CITY, *August 19, 1914.*

Hon. WILLIAM JENNINGS BRYAN,
Secretary of State, Washington, D. C.

MY DEAR MR. SECRETARY: In response to your request of last Sunday, I am writing you in reference to my pleasant relationship with Gen. Carranza. On my return to New York from Washington I found in my mail a letter from Gen. Carranza, which I herewith inclose, and a translation of which is as follows:

[Private correspondence of the first chief of the Constitutionalist Army.]

SALTILLO, *August 4, 1914.*

Dr. HENRY ALLEN TUPPER,
34 Gramercy Park, New York City.

MY ESTEEMED AND FINE FRIEND: I beg to refer to your favor of July 22, which I read with attention, and beg to advise you that it would cause me positive pleasure to be able to shake your hand in the capital of the Republic after our cause has triumphed, which I hope will not now be long delayed, taking into consideration the precipitation of the latest happenings and the general situation markedly favorable which protects our country.

As you will know from the press, I have determined to only accept the unconditional surrender of the ex-federal elements which Huerta left behind, because this is the wish of all the revolutionists, and also because it is the only way to consolidate peace and assure the durable and well being of Mexico, as well as its enlargement, as in any other way it would not be possible to realize the ends of the constitutional movement, which are nothing more than the desires which have been so often ridiculed by the reactionary party, to whom after the struggle an unjustified compassion was granted, which we will deny to it now.

With all sincerity I esteem the benevolent reception of distinction that you and your very esteemed family have given to the small gifts which I was permitted to make to you, and I am glad to be able to express to you that this obliges my recognition toward the kindnesses which you showed me.

I salute you affectionately, and wishing you all manner of good things, I am your friend and attentive servant,

V. CARRANZA.

The same cordial spirit manifested in this letter has been shown me during my six visits to him since the death of President Madero; and "the small gifts" mentioned in his letter referred to exquisitely beautiful watches one of which I showed you, presented to my daughter and to me on July 9, last. On more than one occasion, Gen. Carranza and his minister intimated that they would be pleased to show their appreciation of my services in a material manner, but from them, nor from the International Peace Forum, nor from any other source have I accepted any remuneration directly or indirectly for my mission of mercy in Mexico, except the graceful gifts referred to. As you well know, Mr. Secretary, I have taken a deep interest in the position and progress of the Constitutional Party in Mexico; and as Gen. Carranza enters Mexico City I feel assured that my hopes and prophecies are partly, at least being fulfilled. But peace must bring its victories as well as war; and at this time grave responsibilities as well as great opportunities confront Gen. Carranza and his people. If approached wisely and tactfully I am convinced that the new administration in Mexico will be the grateful recipient of outside influences honestly and unselfishly exerted, which may aid in the solution of the

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social and economic problems that now must be intelligently met, if there is to be stability and permanency in the Government.

Having affirmed faith in the final triumph of the Constitutionalists under Gen. Carranza, I have tried to anticipate the difficulties that would inevitably face the victors in their efforts to merge their ideals and purposes into concrete results; and it has been my hope that at the proper time I should be able to aid these people of excellent possibilities in the struggle toward a better era in their national life. Such important matters as the agrarian and school systems I have repeatedly discussed with the leaders of the Constitutionalists and his associates; and it has been a real pleaure to learn their desires and purposes and to seek to learn, but practical plans and methods were barely suited for the unique conditions in Mexico. I am far from being satisfied with any conclusions that I have been inclined to reach on these significant questions; but now that my commission as peace commissioner is ended, and my service as given me of friendly acquaintance with the leading man in Mexico and an insight into the Mexican state of affairs, the thought comes to me that I may continue my work in a larger and more effective sphere.

Since March, 1913, it has been my pleasure and privilege noiselessly and independently to strengthen, as far as I could, the Mexican policies of the administration at Washington, because I regarded them without exception to be wise and strong; but as my mission was largely on my own initiative and was purely of a philanthropic character, I preferred to labor individually presenting informal reports to Washington now and then, and, directed only by the good wishes of a few gentlemen of the International Peace Forum and my own sense of propriety. In response to invitations given me both verbally and by letter from Gen. Carranza, it is my purpose to confer with him and his ministers on or before September; and it may not be presumptuous for me to hope that my next association with this remarkable man will be made more potent and more fruitful because of my experiences in the past and because of my helpful connections in the future. May I be allowed, Mr. Secretary, in conclusion, to congratulate you, and our President through you, on the masterly manner in which all of our internal questions and international problems have been met by the Democratic administration at Washington.

[Correspondencia Particular Del Primer Jeffe Del Ejercito Constitucionalista.]

AGUA PRIETA, SON., *March 11, 1914.*

Dr. HENRY ALLEN TUPPER,
Douglas, Ariz.

MY ESTEEMED MR. AND FRIEND: I take occasion to thank you for meeting you in this neighboring city, and to present my gratefulness for the work you have seen fit to do in the matter of conferences, newspaper interviews, other articles, and reviews, which you have been good enough to carry to the towns of the United States in favor of the Constitutionalist cause, which I represent as first chief of the army.

Reiterating to you my gratefulness and hoping, as to-day, that you will continue your animated work, with your well-known spirit of justice, in the favor of causes of liberty and justice of the masses.

I am, V. CARRANZA.

INTERNATIONAL PEACE FORUM,
June 1, 1914.

Rev. HENRY ALLEN TUPPER, D. D., LL. D.,
34 Gramercy Park, New York City.

MY DEAR DR. TUPPER: I very much regret my inability, before leaving for the West on my lecture tour, to have a conference with you concerning the Mexican situation, in which I am, like yourself, so intensely interested.

As the executive vice president of the International Peace Forum, I desire in my own behalf and in behalf of my colleagues to express sincere appreciation for splendid services you have rendered, as our representative, to Mexico and the world in the last two years in your efforts to bring about peace in our neighboring Republic.

I recognize the fact that you have received no compensation for your great work except the consciousness of duty done, as now your hopes, as well

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as ours, are being realized as to the final success of the Constitutionalists. As our institution is a benevolent institution, and I have received little or nothing for my services, I can fully sympathize with you from financial as well as other points of view.

As I will not be able to see you before you start for Torreon to accompany President Carranza, as I trust, in his successful endeavor to reach Mexico City, I wish to assure you again, as I have frequently done in the past, that I am deeply interested in the continued success of your mission for peace, and especially interested, having been an educator in the public schools and colleges for so many years, in the proposal of yourself as well as President Carranza, after the Constitutionalist Government has been set up, to establish and organize an educational system, the benefits of which are to be shared by all of the Mexican people.

I bid you Godspeed as you go from us, and shall with interest watch the reports of the press that speak of the speedy triumph of those who stand for the rights of the common people.

Sincerely, yours,

W. A. HUNSBERGER,
Executive Vice President.

UNITED STATES SENATE,
May 16, 1914.

MY DEAR SIR: I am in receipt of your letter of May 15, which I have read with great interest and appreciation. I have long been aware of the peculiar qualifications of Dr. Henry Allen Tupper as a peace envoy, and it has afforded me great pleasure to have frequent conferences with him regarding the Mexican situation. I agree with you entirely in your estimate of his splendid work in dealing with the Mexican problem, and I have on more than one occasion commended him to the President and to the Secretary of State. I shall be glad to avail myself of any further opportunity along this line, and I am this day sending your letter to the Secretary of State and also a copy of it to the President, stating that I would be especially pleased if Dr. Tupper's services could be utilized either now or at some later date in adjusting the Mexican controversy.

Yours, very truly,

MORRIS SHEPPARD.

Dr. JOHN WESLEY HILL,
President International Peace Forum, New York, N. Y.

DOUGLAS, RUFFIN & OBEAR,
ATTORNEYS AND COUNSELLORS AT LAW,
Washington, D. C., October 30, 1915.

Dr. HENRY ALLEN TUPPER,
New York City.

MY DEAR DOCTOR: It seems to me that it is in order to exchange with you felicitations over the signal victory won in the recognition of Gen. Carranza by the United States and the other leading American countries. Of course, this was a fight not only to obtain the recognition of the United States but of all the other Governments of the world. I know from reliable sources that within a few days—certainly within a few weeks—we will have for the Constitutionalist Government the recognition of the leading countries of Europe. It is impossible to exaggerate the importance and far-reaching character of the victory won.

While we are rejoicing over the results of our joint labors I deem it timely and proper to express to you my appraisement and appreciation of the important part you played in this great fight.

For more than two years you have been preparing the way, by assisting signally in educating the American mind favorably toward Carranza and the Constitutionalists' cause by your splendid talks on the platform, and, since I have been in intimate personal relations with you in this great fight—commencing in the early spring of this year—I have seen, known, and felt and appreciated the value and effectiveness of your service, and it will be difficult for me to exaggerate it.

I shall at the proper time give to Gen. Carranza my estimate of the character and value of your work. I trust that out of this victory will come some mate-

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rial benefit to you in one way or another. You richly deserve what I am sure you have, the confidence and friendship of Gen. Carranza and his associates in authority in the Constitutionalist Government.

With assurances of my high personal esteem, I am,

Very sincerely, yours,

CHARLES A. DOUGLAS.

INTERNATIONAL PEACE FORUM,
April 27, 1915.

MY DEAR DR. TUPPER: I was profoundly interested in the plan which you discussed with me last evening concerning the establishment of peace and order in Mexico. I know of no man more conversant with the situation in that country than you, and this is for the reason that you have represented the International Peace Forum among the various factions of Mexico in earnest and sincere effort to bring about conciliation and secure the establishment of orderly and constitutional government.

I likewise appreciate the sacrifices which you have made in the prosecution of your mission, at times even to the jeopardy of your life, and I beg to congratulate you upon the faithful service which you have rendered and upon your safe return home.

I believe that you have the right grasp upon the situation and that something must be done along the lines of your suggestions at once or conditions may develop which will be beyond the power of this Nation to remedy.

I hope, therefore, that you will be able to enlist the interest and cooperation of men who have the real interest of Mexico at heart and whose judgment may be depended upon at such a time as this.

As the special representative of the forum in this work, I wish you the success the important cause deserves and to which your careful thought, unabated efforts, and deep sympathy merit.

With warm regard,

Sincerely, yours,

JOHN WESLEY HILL, *President.*

Dr. HENRY ALLEN TUPPER,
Special Peace Commissioner, International Peace Forum,
New York City.

[Telegram.]

QUERETARO, MEXICO, *January 8, 1917.*

HENRY ALLEN TUPPER,
Care Mexican Embassy, Washington:

I thank you for contents of cable of December 30. Greeting.

V. CARRANZA.

[Telegram.]

QUERETARO, MEXICO, *March 14.*

HENRY ALLEN TUPPER,
New York, N. Y.:

I sincerely thank you for friendly manifestation in message dated 10th.

V. CARRANZA.

Dr. Henry Allen Tupper, commissioner of the International Peace Forum, is just in receipt of the following significant communication from Gen. Venustiano Carranza:

[Correspondencia particular del primar jeffe del Ejercito Constitucionalists.]

CIUDAD JUAREZ, *Chihuahua, April 3, 1914.*

Dr. HENRY ALLEN TUPPER,
El Paso, Tex.

MY DEAR SIR: I have read with much interest the letter of Senator Sheppard, which you were so kind as to forward to me on the — ultimo. In regard to the matters contained therein, I beg to state the following:

I possess a deep admiration for the American people and hold in great personal esteem President Woodrow Wilson and William Jennings Bryan, the Secretary

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of State of the United States of America. I know that they are men of the very highest mentality, as well as moral and political aims, and for that reason I think that their friendship toward Mexico and the sympathy evidenced for the principles of the Mexican Constitutionalists are not only sincere but entirely disinterested and are the result of the existing harmony between the aims of the cause which I have the honor to represent and the ideals of American democracy.

I possess such a high opinion and esteem of the political purposes and sagacity of the American Government and I am so well satisfied as to their loyal friendship toward Mexico that in spite of the great responsibility which is imposed upon me as the chief of a well-defined political party which reckons with the intellectual, moral, legal, and economic elements sufficiently to be considered a decisive factor in political matters not only of my own country but foreign countries as well, that I have experienced no inconsistency in dealing in an unofficial and expeditious way with all matters of an international character, which have been presented by the United States, and especially is this true because I deem it the duty of my party to afford that these relations be cordial and intimate with those who in good faith sympathize with our purposes and are in accord with our aims and ideals.

As long as I am at the head of the constitutionalist army or in any other office my policy will be to strive in such a way as to have our international obligations complied with and to have our relations with foreign Governments become more and more cordial, and especially with such countries as have their destiny linked with the political, economic, and commercial interests of Mexico.

I sincerely regret that incidents of an international character should have given origin to an interpretation not entirely in accordance with my real attitude as the chief of the constitutionalists. I have striven to place myself in the legitimate light deserved by the high aims of our party without overlooking the cordial suggestions which were offered me within the attitude just expressed, neither evading responsibility nor ignoring diplomatic custom and usage. In pursuance of this attitude all representations and matters called to our attention by the United States in an unofficial way have in the past received our prompt attention, and I assure you that hereafter the same attention will be given to all representations and matters presented to us through the United States in behalf of other nations in conformity with international, diplomatic usage and custom, notwithstanding the fact that we have always deemed it preferable to avoid responsibility being thrust upon the United States by other powers as the result of its attitude toward the political conditions now existing in the Republic of Mexico. In accordance with the views above expressed, I have repeatedly stated and now reiterate that I am at all times disposed to give attention, for instance, to foreign representations brought to my attention through the offices of American representatives, provided, of course, that we are notified that such mediation is at the request of such foreign power. I can conceive of no better evidence of the spirit of cordiality and friendship which we bear toward the United States than our willingness to receive unofficial representations and claims made by the United States Government in regard to all matters concerning its citizens within the Republic of Mexico. In this regard I must, however, call your attention to the fact that we could not, without sacrificing our hard-fought-for prestige, consider representations made through the good offices of the United States in behalf of foreigners unless we be previously informed that such mediation has been requested of the United States by the interested nation.

As I desire to reciprocate with the disinterested suggestions of Senator Morris Sheppard called to my attention through your kindness, I beg of you to advise him of the ideas hereinabove expressed, which ideas are the expression of our desire to harmonize national dignity with the cordial relations, which on account of our common interests and principles must exist between the American and Mexican people.

Assuring you of my pleasure in reiterating the above principles, I am

Yours, very truly,

V. CARRANZA.

THE PROBLEM OF PEACE IN MEXICO.

[Henry Allen Tupper, D. D., LL. D., Special Peace Commissioner of the International Peace Forum.]

One of the most interesting, intricate, and impressive problems in the world is advancing, let us hope, toward a peaceful solution in Mexico. Restlessness

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led to revolution, and revolution is moving, we trust, toward regeneration. The material and mental activities and chances that pervade all parts and peoples of this land, mark a new epoch in history; and the smoke of gunpowder must not blind our eyes, and the clash of men's passions and ambitions must not deafen our ears to the mighty movements of events. As never before, all classes of Mexicans are awakening and thinking; and this is the most hopeful sign of the dawning of a new morning out of the dense darkness of the past. No unbiased and intelligent student of history can fail to appreciate the present condition of the people; and accompanying this appreciation will be a sympathetic desire to lead them out of their distress and lift them up into a better life.

Here at our very door is placed at once a grave responsibility and a great opportunity. To neglect the one is an injustice to our neighbor; to neglect the other is a fatal folly against our best traditions and noblest ideals. An eloquent appeal for help comes to us across the Rio Grande; and this cry for aid is made more powerful and pathetic because it comes, not through formal action from the Federalists or Constitutionalists, but is born of suffering and sorrow, and is borne by the unselfish love of universal brotherhood. Not armed intervention, but merciful mediation and cordial counsel must inspire both our attitude and activity. That the restoration of peace and prosperiy and the promise of a stable government in Mexico necessitate the aid of her larger and stronger sister, is recognized by some of her most intelligent leaders, and is the firm conclusion reached by our wisest statesmen and philanthropists. This initiative in this fraternal movement should come from those who are to be the recipients of our benefactions; but if there should be a hesitation on their part, after due consideration of meritorious means and methods, proper approach in this all-important matter should promptly proceed from Washington. On other soils are growing the rich harvest of our planting, and surely the Rio Grande must not mark the line of our limitation of national and international service. Every country in the world is affected, directly or indirectly, by the troubles in Mexico; and the impression is universal that if there is to be a cessation of the civil strifes, America must use her potent offices of arbitration and mediation, because of a proximity to the war devastated land, and because of the unwritten laws of her relationship to the western hemisphere in reference to peoples across the seas. Further indifference to and inactivity in the sorrowful affairs of our sister republic to the south, may create most unfortunate complications; and a responsibility shirked and an opportunity lost may tell for ages upon the progress and prosperity of the western world.

During the last 25 years, since my first visit to Mexico, I have been greatly interested in the checkered experiences of our neighbor Republic; and since the exile of President Diaz I have followed closely the factions and forces at work among this restless people. For at least a year the International Peace Forum has taken an active and practical interest in the unfortunate affairs of Mexico, and from representative men in all the warring factions it has received expressions of gratitude and appreciation. In August, 1912, acting under orders as special peace commissioner of the International Peace Forum, I visited Juarez, and had several conferences with Gen. Pascual Orzco, jr., the rebel leader. I received from him a 3,000-word statement of his contention and declaration of terms of peace; and also he presented me a personal letter, in which he asked the Peace Forum to act as an intermediary. A report was made to the forum by me, and last fall and winter I kept in touch with the situation in Mexico. In January, 1913, Senor Pedro Lascurain, secretary of foreign affairs, Mexico, visited New York and was entertained by the forum. I had repeated conferences with him, and at the invitation of Senor Lascurain and others in Mexico City I left New York the first week in Feburuary for that city.

En route I heard of the fighting between Maderistas and forces under Felix Diaz, but news of the death of President Madero did not reach me until I arrived at El Paso. From there I proceeded to Chihuahua, where I remained three or four days, receiving advices through the American consul. I was entertained at the Foreign Club, and every kindness was shown me.

While in Chihuahua Gen. David de la Fuente, the rebel general, who had just received his commission as minister of communication from the Huerta government, invited me to go to Mexico City in a private car with his staff. Gen. Fuente, as minister of communication, had full charge of railways, telegraph, and extended to me every courtesy.

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The train presented a unique appearance and consisted of working cars loaded with electricians, bridge builders, carpenters, and engineers; a military car filled with soldiers, and one Pullman car every seat of which was decorated with a Winchester repeating rifle. I was the only American on board, and Gen. Fuente and his associates having acquainted themselves with my object gave me all the information I desired.

It is well to keep in mind that there are three forces in Mexico—federals, rebels, and volunteers. The rebels and federals are fast uniting under Huerta's government; the volunteers are ardent followers of Madero, who have been in revolt since his death and are still contesting the Huerta government.

We were now on our way to Mexico City. After leaving Chihuahua there was no sign of volunteers until we reached a point 70 miles south. Then the workmen were kept busy repairing the burned bridges and telegraph wires. While in the mountains, miles away from any city, Gen. de la Fuente wanted to send a telegram to the governor of Chihuahua. There was no telegraph station within 25 miles.

The problem was solved by the electricians, who tapped a telegraph wire, brought it down to the ground, and established a crude sending station. A message was sent to Chihuahua. I then asked if it were possible for me to send a message to New York. I wrote these words: "Detained in Mexico; will return middle or latter part of March." When the message was shown to Gen. de la Fuente, he said, "Add something after 'detained,'" and suggested the words "swollen rivers." As there were no rivers within miles, I declined to write that, but added, "Detained by missing connections," and the message was promptly sent to New York via the governor's palace in Chihuahua.

Just before we reached Santa Rosalie we heard that the city was occupied by volunteers, who expected to give battle. Several miles outside of the town we were met by Col. Castro, who offered us help, if there was trouble. He had a force of 300 or 400 men, with a small body of cavalry and cannon.

As we left the train at Santa Rosalie I heard the popping of hundreds of guns and the whiz of bullets, several of which struck our train. At this point the general came to me and said: "Dr. Tupper, there is going to be a skirmish; I suggest that you return to the train." My reply, according to several of the officers, pleased the general and, I hope, made him my good friend for life. I said: "General, I am your guest, and with your consent, I will stand by your side."

The fight lasted for two or three hours. The volunteers were driven through the streets and out of the town. Gen. Castro's troops reinforced us, and cannon were placed on the hills overlooking the valleys. The skirmish, as Gen. de la Fuente called it, was of thrilling interest. I stood by the side of Gen. de la Fuente on a small plateau where the cannon were placed, surrounded by his lieutenants and officers of artillery who were directing the firing. The hills back of us were lined with the population of the city.

Through field glasses I watched the retreat of the volunteers. After the firing I requested the captain of artillery to allow me to carry back the shell of the first cannon I had ever seen fired in battle. His reply was that he would have it cleaned and sent to me at the train, with the captain's card. The shot that was fired was said to have killed five men. I have the shell at home, a very grim souvenir of the experience.

Although the bullets whizzed all around us and there were casualties on both sides no member of our immediate party was injured. We were about to start south again when Gen. de la Fuente received a telegram that proved to be very important to me. This called him to the Villa Humado, where Gen. Pascual Orozco was in camp. The purpose of the conference with the rebel leader was to find a possible way to bring about a coalition of the rebel and Federal forces.

The general spoke to me of this conference, and I saw that it was a great opportunity to lay before the leaders plans and suggestions of the peace forum. I asked to accompany the general, and he promised to do all he could to help me in the solution of the difficulties. The following morning at 3.30 we entered into council, which was to prove very important to the cause of peace.

When I was presented to Gen. Orozco, he asked: "Is this not the gentleman I met last August, to whom I gave a statement and a letter?" This was a very good introduction under the circumstances. The conference lasted from early morning until afternoon. Gen. Orozco insisted on several conditions before joining forces with the Federals:

First. That the soldiers of the rebellion and revolution be paid up to date.

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Second. That a pension be established for the widows and children of those who had died in battle.

Third. An agrarian system by which the great masses of the poor would receive benefits from the land. This last was somewhat socialistic. It was such a plan as was put in effect in Russia in 1861, when freedom was given nearly 40,000,000 serfs and a land-tenure system established, by which many were given employment and property.

These contentions were recognized by Gen. de la Fuente as just, and, as he had the power, the terms were accepted. I had the honor of presenting to them the agrarian and educational system that we think will meet the present condition in Mexico, and made five of the seven suggestions regarding the land question that were agreed upon. At the conclusion I was asked to present a formal statement of my remarks.

From Villa Humado I proceeded north, and after a short conference in Chihuahua I returned to El Paso. In the latter place I had the good fortune of meeting R. Garcia Granados, president of the Mexican Peace Commission and secretary of the interior in the Huerta cabinet. Señor Granados gave me every assurance of his aid, and was very considerate in his treatment of the views of the peace forum on affairs in Mexico.

Gen. de la Fuente repeated his invitation to me to accompany him immediately to Mexico City, and offered to personally introduce me to Felix Diaz and Provincial President Huerta. However, as I was almost three weeks late in my engagements in New York, I was forced to decline.

I returned north, speaking in Texas, Louisiana, Alabama, and Georgia. At Augusta, Ga., I met ex-President Taft, who is honorary president of the forum, and made a report of my commission.

Our special purpose, after peace is restored, is to develop the schools of Mexico, and the plan suggested is to make a thorough revision of the system, from kindergartens to a great university at Mexico City.

Early in April, for the third time, a special peace commissioner of the International Peace Forum, I left New York for Mexico, having accepted invitations to lecture in the interest of the work of the forum in the South and Southwest. In honor of the International Peace Forum and its commissioner, the Rotary Club at Jacksonville, Fla., gave an olive-branch luncheon; and after an address by the representative of the forum 150 of the leading business and professional men of the city gave a hearty indorsement to the cause of universal peace. In Pensacola, New Orleans, Houston, and Dallas sympathetic response was given to the presentation of the services of the International Peace Forum; but at San Antonio, Tex., a fortunate connection was made, which greatly aided the purposes of my visit. There I had several conferences with Dr. Francisco Vasquez Gomez and his brother, who are leading factors in the present revolutionary trouble in Mexico, and from these gentlemen I received much information that proved of practical aid to me in my future movements. On the invitation of Dr. Gomez, I accompanied him to Eagle Pass, Tex., and while I remained there he crossed the Rio Grande to Pedras Negras, where he made arrangements for me to have personal interview with Gen. Venustiano Carranza, leader of the rebel forces in Mexico.

After some delay and formalities, I was escorted to the Armory Building, at Pegras Begras, where I met for the first time Gen. Carranza. During my first conference with the general, who declared, the week before, that he would not receive any peace envoy, he was very formal and abrupt; but after I explained to him clearly and fully the purposes of my mission under the International Peace Forum, he responded more heartily to my offers to aid in the restoration of peace in Mexico. When I was leaving the armory he requested me to remain in Eagle Pass and return for a continuation of our conference next morning at 10 o'clock. I was pleased in my second visit to Gen. Carranza, to find his manner toward me very much changed, and he met me most gracefully and graciously. I soon found that he was very bitter in his antagonism against Mr. Huerta, the provisional president of Mexico, and he did not hesitate to call him a murderer and assassin. Acting as my interpreter, Dr. Gomez spoke for me on this occasion, and for nearly two hours I laid before Gen. Carranza practical suggestions bearing upon the complicated situation in Mexico, and introduced to a great extent the program that I had outlined to Gen. Orozco. The general dictated, in my presence, a personal note to me, to which he placed his autograph, expressive of his appreciation of my mission, but also declaring his intention of continuing the war against Huerta. He presented to me a full-length picture of himself, and as he attached a pleasant word of presentation

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to it, he expressed the hope that I would understand his position and be successful in my service for Mexico.

For more than a month after this visit to Piedras Negras, Mexico, I held peace conferences with leading Texans and Mexicans in San Antonio and all along the Mexican border. At El Paso, Tex., the chamber of commerce invited me to address its body on Thursday, May 29, at a luncheon given in the Sheldon Hotel, and at the close of my address the following resolutions were offered by Mr. James G. McNary, vice president of the First National Bank, which were passed by unanimous and rising vote:

"We, the citizens of El Paso, Tex., representing the business interests of the largest city of the Mexican border, assembled on May 29, 1913, resolved:

"1. That our appreciation and congratulations be extended to Dr. Henry Allen Tupper, the special peace commissioner of the International Peace Forum, for the work he has accomplished and is accomplishing, looking toward peace in Mexico.

"2. That we heartily indorse the forceful suggestions offered by Dr. Tupper in reference to the Mexican situation.

"3. That we respectfully suggest that the commissioner, Dr. Tupper, present these views as promptly as possible to the leaders in Mexico and to President Wilson and Secretary Bryan, at Washington.

"4. That as a tentative movement, a peace commission should be appointed from both Mexico and the United States, as suggested by Dr. Tupper, which shall confer as to the wisest methods to be adopted for the restoration of peace, for a popular election and for the establishment of a stable government in Mexico.

"5. That as Dr. Tupper has suggested, it is preferable for the initiative in this movement to be taken by the leaders in Mexico; but as an acute crisis has been reached, it is our opinion that the United States Government should wisely and firmly act in this matter, rather than have a prolongation of this terrible and increasingly destructive struggle.

"6. That we express the hope that Dr. Tupper will continue his good work and diplomatic services until the desired end is reached; and because of our self-interest and interest in humanity, we desire to assure him of our sympathetic cooperation in his splendid services as special peace commissoner of the International Peace Forum.

"7. That copies of these resolutions be sent to the leaders of the Federalists and Constitutionalists in Mexico and to President Wilson and Secretary Bryan at Washington."

On my return east, I learned that the services of the International Peace Forum in connection with the Mexican troubles were greatly appreciated throughout the South and Southwest, and without hesitation in Fort Worth, Dallas, Houston, New Orleans, Pensacola, Jacksonville, and Atlanta, hearty indorsement was given to our work. In Washington I held conferences with Hon. William Jennings Bryan, Secretary of State, at his residence and in the State Department, and while our Government found it undiplomatic and impossible to give official recogniton of our services, Mr. Bryan expressed to me repeatedly his deep interest in the work of the International Peace Forum, through its commissioner, which assurances he had already extended to me through a letter received while I was in Texas.

We feel that our activities looking toward a solution of the peace problem in Mexico are not fruitless or hopeless, and I have received recently letters from the Mexican border, requesting that the good offices of the forum be exerted through its commissioner in Mexico City, where it is thought that a branch of the International Peace Forum should be established.

As an honored guest at a luncheon given by President F. D. Underwood of the Erie Railroad at the Railroad Club, June 27, I had the pleasure of speaking a few words on Mexico to a number of leading citizens of New York, and I insisted that conditions in Mexico are becoming increasingly disastrous to Mexico and increasingly perilous to the United States and other countries; also a strong influence outside of Mexico must be promptly exerted or undoubtedly fearful results will follow. It was further suggested that a joint peace commission from Mexico and the United States should be formed without delay, and that calmly, intelligently and most earnestly, all question looking toward the situation in Mexico should be presented to this commission. As I have stated to the International Peace Forum, my repeated visits to Mexico have been largely basal in their result, and I hold myself in readiness to visit the capital of the war-scourged Republic if I am convinced that good can be accomplished.

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The continued disturbances in Mexico, attended by the destruction of life and property, have induced the European powers to take a practical interest in Mexican affairs; and Ambassador Wilson's recall to Washington may result in the announcement of a positive policy on the part of our Government. Under the present critical circumstances, it appears to be unwise and inexpedient for the State Departmet at Washington to assume an indifferent attiude any longer, in this most important matter; and recognition of the de facto government of Huerta or intervention seems to be the two alternatives left to President Wilson's administration. The latter should be the last of last resorts; and, with certain prescribed conditions, the former might be taken, with the promise and prospect of pacification and prosperity to our neighbor Republic.

INTERNATIONAL PEACE FORUM,
June 6, 1914.

Hon. JOSEPH R. LAMAR,
Justice Supreme Court,
Niagara Springs, Niagara Falls, N. Y.

DEAR SIR: Allow me to present to your kind consideration, Dr. Henry Allen Tupper, the special peace commissione rof the International Peace Forum.

Dr. Tupper has paid five visits under his commission to Mexico during the last year, and has held repeated conferences with Gen .Carranza, his ministers, and other leaders in Mexico, looking toward the establishment of peace and a stable Government in that Republic.

Through Dr. Tupper's quiet, tactful, and diplomatic wisdom, he has won the confidence of the Mexican leaders, especially Gen. Carranza and through him Gen. Carranza has made several important deliverances to the world.

Dr. Tupper, under invitation from the chief of the Constitutionalists, is on his way again to Mexico, and en route, as president of the International Peace Forum, I have requested him to confer with you and your colleagues, and if he can serve you gentlemen in any way in your delicate peace negotiations he will gladly do so; and I assure you he is most trustworthy in every respect.

Respectfully, yours,

JOHN WESLEY HILL, *President.*

INTERNATIONAL PEACE FORUM,
New York, November 8, 1912.

Dr. HENRY ALLEN TUPPER,
Special Peace Commissioner and Honorary Vice President
of the International Peace Forum, New York, N. Y.

MY DEAR DR. TUPPER: Personally and in the name of the International Peace Forum I desire to congratulate you on the intelligence, patience, and diplomacy shown in your work as our special peace commissioner in connection with the Mexican situation. Results that have already been accomplished through your negotiations can not be estimated in their beneficent influences, but these only prepare the way for larger accomplishments.

Peace should be restored in our neighbor republic; the fear of intervention on the part of the United States should be obliterated from the minds of any who may entertain such an idea; fraternal comity should be established on a firmer basis than ever between America and Mexico; the constitutionally established Government of Mexico should receive not only our sympathies but our moral support; the material resources of Mexico should be developed for the blessings of the Mexicans and the world; and I pledge you, my dear Doctor, my personal aid and the cooperation of the International Peace Forum in this splendid and far-reaching work which has been initiated so successfully by you.

In order that you may pursue your work more effectively, it gives me pleasure to inform you that you have been reappointed honorary vice president and special peace commissioner of the International Peace Forum, and, if desired, arrangements will be made for you to have your quarters in our New York rooms, Thirty-fourth Street and Madison Avenue, where you can be in close touch with the work of the forum.

Sincerely, yours,

JOHN WESLEY HILL, *President.*

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INTERNATIONAL PEACE FORUM,
November 10, 1913.

MY DEAR MR. COMMISSIONER: Your communication of the 1st is at hand, and first of all I beg to congratulate you upon the great work which you are doing for the pacification of Mexico. Had the directors of the forum followed your suggestion when your clear, concise, and convincing report was made, in all probability the vexed problem would have been solved, or well on its way to solution, by this time.

I have noted with much interest and gratification the various press reports concerning the effectiveness of your mediations in behalf of the cause which is so near and dear to our hearts. Surely the forum has been fortunate in finding one so efficient in matters of diplomacy, so able to meet and treat with strong men, and so wise in remedial suggestions. Surely we are all to be congratulated that the Government is now about to act upon the proposition which you suggested weeks ago, viz, the recognition of the Constitutionalists. I have favored this from the start, but not being in immediate touch with the situation I have been slow to express myself.

The matter so far as we are concerned is in your hands, and we sincerely trust that the next few days will show that you, more than any other man, have brought about an attitude upon the part of our Government which will result in the establishment of constitutional authority, peace, and prosperity in our sister Republic.

With warm regards and profound gratitude for the magnificent work which you are doing, I beg to remain,

Faithfully, yours.

JOHN WESLEY HILL, *President.*

WASHINGTON, *D. C., October 28, 1913.*

Dr. HENRY ALLEN TUPPER,
Montezuma Hotel, Nogales, Ariz.:

Please convey to Gen. Carranza my most earnest wish for the success of the sacred cause he represents. His name will rank among the immoral [immortal] defenders of human liberty in fighting for the rights of the Mexican masses. He and his associates and followers have won the sympathy and admiration of all the world.

MORRIS SHEPPARD,
United States Senator from Texas.

STATEMENT OF GEN. VENUSTIANO CARRANZA, THE LEADER OF THE CONSTITUTIONALISTS OF MEXICO, TO DR. HENRY ALLEN TUPPER, NOVEMBER 15, 1913.

On November 7 I sent you a letter expressive of my appreciation of your work, in which I requested you to give to the public the true position and purposes of the constitutionalists in the present struggle.

As there is much misunderstanding and many misstatements have been made on these subjects and in order to give a definite and final reply to the many questions coming from the press and other sources with regard to the objects and wishes of the constitutionalists, I will here repeat what I have frequently announced in the past with regard to this matter.

The immediate object of the constitutionalists is the restoration of constitutional government in Mexico by the elimination of Huerta and all those responsible with him for the assassination of President Madero and the usurpation of the Government.

That accomplished, it is the object of the constitutionalists to effect the political and economical reforms so greatly needed before my country can have permanent peace. Among these are the guaranty of a full and free vote to all citizens and the settlement of the land problem on the lines laid down in the plan of San Luis Potosi; taxation of land at its full value, restoration to the public of lands illegally taken from it, and the opportunity for the common people to acquire lands in small areas, so that they may become independent and self-supporting. Other reforms are proposed, which need not be enlarged upon here, but which include the establishment of a complete system of practical education for the masses.

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Controlling as we now do three-fourths of the area of the Republic, with victory coming daily to our arms, hampered as we have been by our inability to arm and equip the tens of thousands of patriots who freely volunteer their services, we still lack one requisite for the accomplishment of our objects:

In order to carry out the first object—the elimination of Huerta and his associates at once—the Constitutionalists ask but one thing of the United States: The repeal of the resolution forbidding the free export of arms and ammunition from that country, no matter to whom.

With such repeal the Constitutionalists give assurance that within one month thereafter they would have at least 100,000 well armed and equipped troops in the field, and that within three months they would have restored peace to the entire country.

While this is being carried out, they will as they have in the past and so far as is possible in a country wholly in arms and with a terrible civil war raging, protect the persons and property of all, foreigners and natives alike, so far as can lie within the power of any administration under like conditions.

They will, at the conclusion of peace, adjudicate and pay through a mixed commission composed equally of Mexicans and foreigners, all claims of foreigners for any and all damages suffered from the beginning of the revolution of November, 1910, down to the date of the establishment of peace: They will also treat in like manner claims of Mexican citizens for damages arising from revolutionary causes during the periods mentioned in the decree issued by me dealing with the subject.

They will repay all sums of money borrowed for the use of the Constitutionalist forces, and redeem all fiat money issued for revolutionary purposes. They will repay the value of the goods, animals, etc., taken for the same purpose.

As first chief of the Constitutionalist army and in accordance with the plan of Guadalupe, I will, as soon as practicable after the Constitutionalists shall have occupied Mexico City and brought about a condition of peace, call an election for president, vice president and other elective officers; and I pledge myself that the election shall be absolutely free, and that every citizen of the republic shall have an opportunity to cast his ballot for the candidates of his choice without fear or molestation. I pledge myself to turn over the government at once to those chosen by the people and to install them in their positions.

Those responsible for the assassination of President Madero and his associates and for the usurpation of the government will be tried and judged under the law of 1862, which governs such crimes.

Every property right, legally acquired by foreigners or natives in the Republic, and every loan or obligation incurred by any legal administration, will be rigidly observed, but the Constitutionalists will not recognize any act of any kind, any concession granted, loan made, or transaction of whatever sort performed by the Huerta régime, or since February 19, 1913.

Nor will they recognize any act of any kind performed by the government of any State since the date given other than by the constitutionally elected governor and congress of such State.

As to the armed intervention of any foreign Government into the affairs of Mexico, I do not believe such intervention possible, but if such were to occur I believe it would be an international crime and a most grave and serious error on the part of the Government committing it. In case of such intervention, I promise to conduct myself as the dictates of my conscience and my patriotic duty to my country oblige me.

The Constitutionalists will accept no mediation from any source and will not entertain any proposition looking toward an amicable settlement with the Huerta régime. They are fighting for a principle that does not admit of compromise. They are fighting for the elimination of the traitors and assassins who have brought their country to its present lamentable state, and they will continue that fight until they have either won the contest or laid down their lives for the cause.

Again I repeat, in closing, all that the Constitutionalists ask of the United States is the lifting of the embargo without conditions, and that this shall be don ewith as little loss of time as possible.

In that way, and in that way only, can permanent peace be brought quickly and justly in Mexico.

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[Private correspondence of the first chief of the Constitutionalist Army.]

PIEDRAS NEGRAS, *May 15, 1913.*

Mr. Dr. HENRY ALLEN TUPPER, LL. D.,
Special Peace Commissioner of International Peace Forum.

MY DEAR SIR: The only thing I can say to you in answer to the interrogatory you were pleased to present to me as representative of the International Peace Forum is that in the plan of Guadalupe, of which I enclose you copy, the purposes of the Constitutionalist Army, of which I am the first chief, are stated.

I am determined that by force of arms the present struggle in the Republic be solved, and I shall admit no peace intermediaries, wherefore I can answer nothing more with respect to the other points of your interrogatory.

Without anything further, I offer myself as your attentive, obedient servant.

[RUBRIC.] V. CARRANZA.

CULIACAN, SINALOA, MEXICO, *February 6, 1914.*

Dr. HENRY ALLEN TUPPER,
185 Madison Avenue, New York City:

I sincerely thank you for congratulations. I do not know where I may be in March. I shall opportunely communicate it to you. I salute you.

V. CARRANZA.

NOGALES, ARIZ., *December 1, 1913.*

Dr. HENRY ALLEN TUPPER,
Bender Hotel, Houston, Tex.:

I would thank you to proceed to this city as soon as it may be possible for you.

V. CARRANZA.

[Private correspondence of the first chief of the Constitutionalist Army.]

HERMOSILLO, *December 21, 1913.*

Mr. Dr. HENRY ALLEN TUPPER,
34 Gramercy Park, New York, N. Y.

VERY ESTEEMED FRIEND: I acknowledge receipt of your favor dated the 10th instant, sincerely thanking you for the consideration with which you are pleased to honor me, and I declare to you that your short stay in this (city), was for me cause for satisfaction, as it will again be to have the pleasure of saluting you.

I beg you to present my respects to your madam and daughters, and receive yourself the affectionate salutes of your friend, attentive, obedient servant,

[RUBRIC.] V. CARRANZA.

[Private correspondence of the first chief of the Constitutionalist Army.]

CHIHUAHUA, *May 4, 1914.*

Mr. Dr. HENRY ALLEN TUPPER,
34 Gramercy Park, New York, N. Y.

VERY ESTEEMED AND FINE FRIEND: I refer to your favor dated 28th of the month last passed, which I noted with care, in order to manifest to you my sincere thanks for the desires it expresses in favor of the constitutionalist movement which I represent.

It will cause me satisfaction to have the pleasure of seeing you in this month, as you are pleased to announce, and in the meanwhile receive the affectionate salutes of your friend and attentive, obedient servant,

[RUBRIC.] V. CARRANZA.

CITY OF MEXICO, *February 26, 1915*

Mr. HENRY ALLEN TUPPER, D. D., LL. D.
Hotel Geneve, Mexico, F. D.

MY DEAR SIR: Remembering the important mission you have in Mexico, as the worthy representative of the International Peace Forum, and taking into account the full and humanitarian sentiments you expressed in the associa-

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tion the night of your speech, it seems to me you might very well use your influence in these times of tension in reaching a better understanding between the Constitutionalist chief in this city, Gen. Alvaro Obregon, and the various foreign elements, with the view of giving assistance to the needy class and to bring, in this manner, tranquility to the city. The association itself has been formulating plans to assist those who directly or indirectly demand attention, as well also as the others. But, until to-day it seems to us impossible to obtain funds or provisions, and for this reason our plans have not been realized.

In any event, I recommend this suggestion to you for your generous consideration.

With my best wishes, I am, your

Attentive, obedient servant,

R. WILLIAMS.

[Private correspondence of the general of division, Alvaro Obregon.]

MEXICO, *March 1, 1915.*

Mr. HENRY ALLEN TUPPER,

City,

MY DEAR SIR: I have received your esteemed letter dated 27th of February, in which you say that, acceding to indications by various persons and groups, foreigners and nationals, in your character as peace delegate of the International Peace Forum, you are disposed to cooperate with these headquarters under my charge for the relief of the necessities of the people of this city.

I thank you immensely for your kind and philanthropic offer, which I do not doubt will be taken advantage of by the revolutionary board for the help of the people, whose principal members are Citizens Engineer Alberto J. Pani, with offices in the National Railways Building, and Dr. Atl, to whom I permit myself to refer to you.

With particular appreciation, I am pleased to subscribe myself,

Your affectionate and attentive, obedient servant,

[RUBRIC.] ALVARO OBREGON.

HERMANOS, COAHUILA, *November 9, 1915.*

Mr. Dr. HENRY ALLEN TUPPER,

200 Broadway, New York.

VERY ESTEEMED FRIEND: I sincerely thank you for the affectionate consideration you send me in letter dated the 21 of September ultimo, and I appreciate your good wishes for the future prosperity of Mexico.

I remain as always your very affectionate friend and coreligionist,

[RUBRIC.] V. CARRANZA.

REPORT ON RED CROSS WORK.

AUGUST 25, 1915, TO SEPTEMBER 25, 1915.

1. We left Piedras Negras on the morning of August 25, at 10 a. m. We arrived at Ellende at noon, where it was reported a bridge had been burned by the Carranzistas at kilometer 95, south of Allende. The construction crew, composed of eight men, mostly boys, had some 400 yards of track to build and had no material. The commander of the forces at Allende forced me to lend him my engine to take this crew down to work and make repairs. He had his own engine, but having collected some 50 hides which he wished to sell on the American side of the river he used my engine to do his work and took his engine to go to Piedras Negras with.

On seeing that there would be no communication for several days I returned to Piedgras Negras with the entire train, being advised also that the Carrenzistas were about to attack that point, where I arrived on the morning of August 27.

2. On the morning of September 2, after having been assured that the line would be open within a day or two, I proceeded to Sabinas, where I arrived the same day at 5 p. m. I was then informed that it would be two or three days before the line would be open to Monclova. We arrived in Sabinas

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Thursday, and on Saturday morning at 9 a. m. we were informed that the Carranzistas had the town surrounded and would make an attack in a few minutes. I immediately made preparations to leave, and before we could get the engine coupled onto the train we heard two loud explosions to the north and saw the dust and one bridge being blown up. Communications being cut off from the north we proceeded to go south. On leaving Sabinas some 15 deserters, all young boys, part of the Villa army, climbed on our train, hiding themselves amongst the cars. I was careful to disarm each one, as the colonel insisted on my taking them, which I did not want to do. We proceeded slowly, and just 4 kilometers before reaching Baroteran, in a cut, we were suddenly opened fire on by about 800 men, 400 being on one side of the track and 400 on the other. After the rifle firing began a machine gun was trained on our train and kept firing for about five minutes. My assistant and I ordered everybody down flat on the floor of the car; fortunately no one was hit. The engineer stopped his train immediately on the first shots, but they continued to fire at us for at least five minutes. Each car was plainly marked with the Red Cross sign on both sides. Inclosed photographs will show the size of the sign. There was no excuse for them not seeing the signs, as they could have been plainly seen at a mile distant. The engine had two Red Cross signs in front on each side. I was told by a man who was formerly employed by me in Mexico, who was with the troops, that they were fully aware of our identity, but that they shot up our train simply to show their disrespect for any American institution.

The fact of the matter is that the Carranzistas have been coming into Sabinas, sleeping at night in their houses, and were fully aware that we were at Sabinas. One of the troopers came up to me with one of the Red Cross signs and handed it to me torn in rags and remarked, "Take your dirty rags Gringo——." Just before firing ceased I went out on the back platform and happened to recognize an officer who was part American—however, a Mexican citizen—by the name of Burchelmann. He immediately communicated to Gen. Zuazua my identity, and the order was given to cease firing by a bugle. In the meantime a trooper rode up to me and grabbed hold of me with a pistol in his hand, searching me for arms; not finding any he took my watch. A colonel, coming up behind, whom I happened to know, ordered him not to touch me. He made the man give the watch to me.

As soon as firing ceased the whole mob swarmed down to the train yelling "Viva Carranza" and looking for loot. They flocked into my car with guns in their hands but were stopped by this half-breed American, who assured them that we were not armed, and later Gen. Zuazua ordered them to keep out of the car. After I had talked to Gen. Zuazua and told him the seriousness of his act, he apologized in a half-hearted way and gave me a pass permitting me to go through their lines. Our engine having run out of coal, I sent it down to Baroteran to get coal and come back and get our train. In the meantime the Carranzistas formed a battle line and started back toward Baroteran. We could see Baroteran plainly, being on a hill above it. It seems that they had surprised the Villistas a short time previous to our arrival and had practically wiped out the small command of men at the station. Those they did not kill were taken prisoners and hurried off to Lampasas. The Villistas sent a small army from Esperanzas, 6 miles away, to retake Baroteran ,which they did, and held it for about two hours. The firing was continuous, and the Carranzistas entered Baroteran during the afternoon three times, and were driven out three times by the Villistas. The Carranzistas sent out a small escort behind us and burned some small bridges between Sabinas and Baroteran in the rear of our train.

About 5 in the afternoon our engine here returned with three wounded—returned by the Carranzistas. One was a woman, who died upon our putting her in the car. We buried her alongside of the railroad by order of the Carranzistas, our train crew and ourselves digging the grave. The other two men were very badly wounded, and as we could give nothing but first aid we decided on getting to the nearest doctor, which was Musquiz, on a branch from Baroteran. After burying the woman the Carranzistas returned and formed a battle line, using our cars for protection. The Villistas could be seen coming from Esperanzas under the command of Col. Terrazas. I did not much like the idea of being a fort for the Carranzistas, so ordered the engineer to pull out slowly in the direction of Baroteran. Then the Carranzistas, seeing us leaving, immediately departed toward Sabinas. In about 30 minutes the Villistas came up to our train, and we counted them, there being 324 men. They were very orderly and made no efforts to force themselves into our cars and showed us every

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courtesy. I talked for a few minutes with Col. Terrazas, and he said that he would take Sabinas the next morning or probably that night; he asked me for information as to the strength, etc., but I declined to give him any information, explaining that the Red Cross was not there to give information; he said he appreciated my not giving them the information and apologized for even asking me.

Before leaving us the Carranzistas were very anxious to know about the success of their compatriots with the Texas revolution. They were very much surprised when I told them that the Texas trouble was practically over. They seem to be under the impression that the Carranza lines were extended to within a few miles of San Antonio. They left me shouting "Adios, Gringo; we will see you in San Antonio." This was not a small party of men, but the general impression was there were some 1,200 men in this command.

San Antonio seems to be these Mexicans seventh heaven; and it is evident that the chiefs have been promising these men a pasaeo in San Antonio when they take it This I heard from several men who ranked as high as captain. If it is not known in Washington that the Carranzistas are backing up this movement in Texas, it is time the matter was given more serious investigation. The fact of the matter is the Carranzistas in northern Mexico are certainly behind this movement to the extent that they would like to see it successful, and would no doubt have given assistance if they had not been busy with the Villistas. This is not hearsay, but was impressed on me in a conversation with Gen. Ellisondo and his staff at Monclova. The Carranzistas have absolutely no respect for Americans. The fact that we took care of their wounded was the only thing that kept them from looting our train. They did not hesitate to call us gringoes to our faces, which to a Mexican, is similar to our slang expression "greaser."

At 7 p. m. we pulled into Baroteran, finding it completely deserted, and we had to stop the engine two or three times to remove bodies from the track before we could get up to the station. It having become dark by this time, and the place being deserted, I took a lantern and searched through the train for wounded. I found nothing but dead men and horses scattered all over the railroad yards. By this time we had collected some eight or nine wounded men of both factions. There was a Red Cross car in charge of a man by the name of Cipriano Rivero, whom we found dead outside of the Red Cross car. This man had a red cross on his hat, and from his wounds we judged that he had been executed after being wounded; his head and face were shot full of holes, which can be verified by inclosed photograph. We placed the wounded men in this car and spent the night in dressing wounds and attending them. The next morning before daylight I was startled to hear a baby crying in a box car next to the Mexican Red Cross car. I investigated and found two children, one, 2 years old, a girl, and one, 3 years old, a boy, asleep over the dead body of their father; the mother we buried the previous afternoon was killed by the same bullet that killed her husband, the father of these children. The town having been deserted, these children spent all night beside the dead body of their father, and were covered with blood and were crying because their father would not wake up and give them something to eat. We took the children to our car and gave them a bath, and later on turned them over to a woman in Esperanzas, who was well recommended, and made arrangements for her to send them to an orphanage conducted by an American Society in Piedras Negras, in charge of some American young ladies.

About 7 o'clock part of the Villistas who had been run out of Baroteran returned and began picking up rifles and ammunition that were scattered all over the place. They left, giving us instructions to bury the 26 dead we found amongst the cars. They had lain all of the previous day in the hot sun, and, as the photographs will show, were covered with flies; and I assure you the stench of these bodies was anything but pleasant. We, together with a few civilians who came in to assist in looting the trains, took the necessary steps and dug the graves and buried these men. About noon some of our wounded needed amputation, and we decided to go to Musquiz, where there was reported to be a doctor. We arrived at Musquiz Sunday afternoon at 6 o'clock, where we found another group of wounded in the municipal building. The doctor turned out to be a Japanese druggist; and those whose legs were shot to pieces died. Tuesday morning we were informed by the Villista colonel that the railroad was open and we could proceed to Monclova, which we did, arriving there at 10.30 p. m., September 7.

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I previously wired a Mexican in charge of a local committee that we would arrive, and he had made arrangements for opening up our Red Cross stores, and by Wednesday evening, September 8, we began distribution of the much needed corn and beans. The people of Monclova were delighted to see us, and informed me that they had had nothing to eat since our supplies ran out some two weeks previous. We found them eating mesquite beans and fruit. On September 9 news came of the retreat of the Villastas toward Monclova, and on September 10 Gen. Rosallia Hernandez and Gen. Raoul Madero arrived with their troop trains. On the same date trains began to come in from the north, bringing Villista troops and wounded from Baroteran and Sabinas. Gen. Madero informed me that they had orders from Gen. Villa to retreat without fighting to Chihuahua, pending the results of the Pan American peace conference. They brought their wounded over to us, as they had no doctors or medical supplies with them to take care of them. We did the best we could for them and the people of Monclova, who swarmed to us for medicines, bringing sick babies and children in carts and every sort of vehicle for medical attention. On the first day we gave out in small doses 10 gallons of castor oil, not to speak of quinine, salts, and other medicines.

There was one Mexican doctor in Monclova, who was absolutely helpless and had no medicines for filling prescriptions. The prescriptions were sent to us, and we did what we could to fill them. On Sunday, September 12, Gen. Madero came to me and asked me if I would accept a carload of beans to be distributed amongst the town people. I told him that I could see no objection to it, provided he allowed it to go through the regular channels. During the afternoon, while I was attending to wounded, Gen. Madero made the mistake of opening up this car of beans on a side track near the station. The people of the town immediately got wind of it and they looted this car so that in 10 minutes after there was not a bean left in the car. The troops made some attempts to stop the looting, but they were powerless. I estimate that 4,000 people fought, knocked one another down to get those beans. On the same day Gen. Madero and Gen. Hernandez, with their troops, got out of Monclova, leaving a small command of men under Col. Torres as a rear guard protection, for Cuatro Cinegas. They took every vehicle, every animal, mule, horse, and burro in Monclova. The inclosed photograph will show a collection of the wagons and buggies seized in Monclova. I persuaded them to leave me an engine for my train, which they very kindly did, giving me the best one they had.

Gen. Madero assured me that they would not burn any bridges or trains, and I heard he ordered his staff and all officers not to allow their men to perform any depredations whatever. This was carried out to the letter until Gen. Madero was safely in Cuatro Cinegas, when Col. Torres, who was left as a rear guard, started out toward Castanues, south of Monclova, and burned five bridges, the fire of which we could plainly see. Gen. Madero left an express car, also two cars of ixtle, and one of bones under my care, with a letter to the Carranzistas showing the ownership of these cars; one car of express which they overlooked, containing soap, was left in the yards. During the night, after the Villistas left, the town people looted this car, even carrying away the windows and doors of the express car. I was absolutely without any protection, so I hired a force of four men, armed them with machitas, and gave them a lantern each, and placed them on guard. During the first night there were four attempts to break into our cars. They succeeded in boring a hole in the bottom of our car of beans, and, only due to the fact that the beans were sacked, they did not get away with but one sack of beans.

Wednesday, September 15, while attending wounded, I was suddenly confronted with a howling group of men in charge of a captain by the name of Falcon, who rode up to the cars in which I had the wounded, with their guns and pistols cocked, asking where the Villistas were. They jumped off their horses and crowded into the cars, first taking a shot at a Mexican who was helping me, who, having seen the Carranzistas coming, jumped out of the car and hid. They did not hit him, however. They came into the car, and seeing me, asked me what I was doing there, and I told them that I was an American, and that I was attending to the wounded. They told me they had orders to kill them all, and I replied that, of course, I was powerless to prevent them from doing it, but that if they could wait a minute I would explain to them the seriousness of their act. They said they would not listen to any reason; so I

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simply had to make the statement that if they killed them they would have to kill me, because it would be necessary for me to report this act to the American Red Cross. These men were lying about on the floors of box cars, as I had no cots to give them. Finally, the Carranzistas, after kicking a few of them, departed toward the town. This captain afterwards came around to me and apoligized for having pushed a six-shooter under my nose, explaining that he thought I was a Villista doctor. I afterwards heard that they were highly indignant because they did not get a chance to kill these wounded.

About a half hour after these advance guards left, the main force of 80 men came into the station riding up and down our train, looking through the cars for Villistas. They climbed onto our car, searched it, and would have broken the seals on our Red Cross cars had I not insisted that they wait until their general arrived. They told me he would be in the next day. They came around that afternoon, and ordered me to turn over to them ten sacks of corn for their horses. I could see that Lieut. Col. Falson, in command, could not read or write, but I gave him a note for Gen. Zuazua, instructing his men to let us alone; this note was given to me when we were fired on at Baroteran. The colonel turned this order over for some one else to read for him. This man is military commander at Monclova. I told them that I had no authority to give corn to troops, in fact had been instructed not to. They said they did not care what my instructions were, they wanted that corn and were going to have it. I then compromised with them by stating that I could lend them the corn, taking an order and also instructing a man in charge of the Red Cross depot to take a receipt.

I expected trouble on the 16th, being their national holiday, but fortunately it rained all day, dampening their ardors. Gen. Ellisondo arrived on the 16th, and I turned over to him the express car and two cars of ixtle and one car of bones that had been left by Gen. Madero in my care, making him give me a receipt for these cars, which I have in my possession. The following morning, September 17, the superintendent of the railroad arrived, a young man 25 years of age, and a major in the Carranzistas army, and ordered me to furnish his construction crews, which they made up of 250 men, with Red Cross supplies of corn and beans. I explained to him that I was perfectly willing to feed their families, but inasmuch as the railroad was appointed by the military, I had no right or authority to issue supplies to anyone but the people of Monclova. He said that he did not care what authority I had, and was not interested in that, but he wanted and demanded 10 sacks of corn and 3 sacks of beans without delay. There was nothing for me to do but instruct the man in charge of depot No. 3 to issue this corn and beans, taking a receipt with the understanding in writing that this was to be a loan to the railway company. This, of course, is nothing but a polite confiscation, and my previous experience tells me that we will never get this corn and beans back. In the afternoon of September 16, a cart drove up to the car with a woman who had been mashed by being thrown from a wagon on September 13. She was sent to me by Gen. Madero, with a note from him requesting me to take care of her. She had been three days on the road with nothing to eat, and had been bandaged by putting on green leaves over her four wounds. The five bones in her foot were completely bare, the flesh having all been torn off. She had a deep cut above the ankle, also a deep cut that went completely around her leg to the bone, leaving a gap some 6 inches wide. Her arm was torn from elbow to the wrist, leaving the bones and arteries exposed. When we received her she was full of maggots, which we proceeded to kill with bichloride solution. We got pieces of flesh the size of a hand from her wounds where gangrene had already set in. This woman was in great need of amputation, but we had no one to assist us and no one to do the work, so we did the best we could for her, putting her in a car by herself.

We had another case of a major who had been shot by a colonel, over a woman, in the front of the lower jaw, lodging in his lower brain. This man, when turned over to us, had been in this condition five days, and had had no medical attention. Only his constitution had kept him alive. Gen. Madero sent this man up to Monclova for accommodation, but the Mexican doctor claimed to have performed the operation, but all he did was to remove a few broken pieces of bone, and gave the man an overdose of chloroform. I employed a Mexican to attend to this man, as he was completely out of his head. During the night he got away from this man and, naked, walked two kilometers, and we found

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him under a railroad bridge the following morning. We brought him back and at my urgent suggestion Gen. Ellisondo ordered us to proceed to Piedras Negras to the hospital with these wounded. I could see that it was only a question of time until they would have confiscated by forced loans the last of the grain we had on hand, which I had intended to take to Saltillo, viz. the four cars of corn purchased from Mr. Boicourt, and the car of corn belonging to the American Metals Co., consigned to Ramosavizpe. It was fortunate for us that these wounded were in our care, and that I could insist on him giving us this order, or I would have probably been there yet. The superintendent refused to pay our train crew, so in order to get away I had to assure them that I would make every effort to see that they got their pay before I could get them to take the train out. I finally had to secure an order from Gen. Ellisondo to the superintendent to get him to give us the train orders. This was done and we left Monclova September 18, at 10.30 a. m., taking three of the cars we had emptied full of wounded.

On arriving at Lampasitos we found that the construction crew had not finished their work on a bridge, which I am inclosing a photograph of, and we were forced to wait on the siding for two days until they finished this work. We finally got away from Lampasitos at midnight, arriving in Sabinas the morning of September 22. At 5 in the morning, before reaching Baroteran, the major who was wounded in the brain died. We were very sorry to lose this case, as a simple operation would have saved this man. We had no instruments or no way to perform the necessary work. On arriving at Sabinas, we called on Dr. Payne, an American citizen, who should have a Carnegie medal for his faithful work in Mexico. He has stuck through it all and deserves a good deal of credit. The money he has received for his work in the last year has been of no value to him, and I issued such medicines and bandages as he needed. Dr. Payne attended to the woman referred to, and stated that an operation would kill her, and that there was no hope for her, as she now had 11 days with only first-aid treatment. One of the train crew, a brakeman, with his concubine, slept in the car during the night, together with the woman, whom I employed to attend her. I attended her until 12 p. m., and my assistant from then until she died at 5 in the morning. When my assistant came to inform me that the woman had died, this brakeman and woman took a little ring from the dead body, and what few little clothes she had in a bundle. This explains their interest in the woman. I reported this act to the commander of military forces at Sabinas, who called this party over and made him give up the ring I am citing this to show the utter depravity of the Mexicans remaining in Mexico. I asked the military commander to bury this woman, which he did, turning the body over to the mayor of the town. The woman was buried in a shallow grave without any coffin, and without any ceremony.

On the morning of September 22 the military commander came to me, stating that he had received orders from Gen. Elizondo at Monclova, and searched my train, as it had been claimed that I had taken away with me two cars of ixtle and one of bones. I assured the commander that I had done no such thing, and that I turned these sacks over to Gen. Elizondo before leaving Monclova. He stated that it did not make any difference, and that he wanted to search the train, and he ordered me to turn over the keys to the cars. I accommodated him and he tore the seals off of the cars in checking up contents. There was no excuse whatever for this, but it was simply done, I think, with the object of intimidating me. This military commander previously had attempted to get some satisfaction out of me as to price and force me to sell him corn for his horses, which I refused to do.

4. In Sabinas it had been raining for the past week, and during the time we were there it rained continuously, washing out bridges and track both north and south of us. The bridge that was burned on September 4 has not been repaired, but they built a shoofly around the bridge, and, owing to the heavy rains, the first train they sent over it turned over, piling up the engine under the bridge. This bridge will not be repaired for a week.

Communication being cut off toward the north. I wired Gen. Zuazua offering to take the cars of medical supplies and corn to Saltillo or Monclova; I received a telegram from him stating that he appreciated my offer, but that the conditions in the territory controlled by the Carranzistas was such that help was not needed. He gave me permission to sell medical supplies and merchandise as a private individual, but for no reason could I act in an official capacity. This

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means that we need not expect any more work in this part of Mexico as long as it is controlled by the Carranzistas. There is no truth in his statements as to conditions being improved, as I have previously indicated in one of my reports that if a steady rain came there would be no railroad, which would make it impossible for them to furnish any food supplies to the people.

Another hardship on the people is that they published an article, a copy of which I am inclosing, canceling the circulation of Villa money. This being the only money the people had, the territory having been controlled by the Villistas for the past six months, and also owing to the fact that the soldiers did not have any Carranzista money makes it impossible for the people to buy supplies if there were any to buy. The whole reason for refusal can be based on the fact that they resent any action on the part of the United States of any character. In fact, they did not hesitate to insult me at every turn and treated me with absolute contempt, despite the fact that if it had not been for Red Cross work in Mexico they would have had nothing to eat from the time we began our work, and there will be nothing to eat there until the railroad is open again. Even then I can not see where they will get their food supplies from, as both factions have taken the crops for their horses.

I unloaded 94 tons of corn at Monclova and 11½ tons of beans purchased from Trueba and Elosua. The corn distributed in Monclova is the shipment we purchased from Eagle Pass Lumber Co., it having some weevil in it; I thought it advisable to get rid of it as soon as possible. The corn I have at Sabinas is the 100 tons we purchased from Mr. Boicourt, and is good white corn, without any weevil, and can be sold on this side of the river at approximately the price we paid for it.

I left my assistant in charge of the train and secured a guard from the military commander at Sabinas, and a promise from him to protect the train until I could return. I am wiring my representative in Monclova to wind up his accounts, as I understand what corn was not borrowed by the military and railroad company has been exhausted. I do not know exactly how much corn was confiscated by the military and railroad company, but it must have run into a considerable amount, as these supplies should have lasted at least two weeks longer. I will get this information, however, as soon as possible and report fully. It is my opinion that the best thing we can do is to insist that this train be brought out of Mexico, and that we sell the corn here or detour it for work in some other part of Mexico not controlled by the Carranzistas, or, if not too expensive, it could be sent to Vera Cruz for Mr. O'Connor's use.

In conclusion I only regret that some of our higher-up Government officials could not have been with me and see the brand of individuals that are now in control of the situation in Mexico. They do not represent any of the good element in Mexico. They are lawless and have no more idea of patriotism than a yellow dog. They are mentally incapable of handling the situation. Gen. Ellisondo, in command at Monclova, and also in command of a district larger than Massachusetts, is a boy 24 years old, uneducated, and absolutely irresponsible. Gen. Zuazua was formerly classed as a saloon bum around Eagle Pass. A lieutenant colonel in command of a territory as big as Rhode Island was sent to the Mexican Army for stealing horses and cattle. These are not the exceptions but the rule of the character of the men who now dominate one of the richest States in northern Mexico. This fact is largely due to Carranza, who has allowed them to do as they please, and they have no respect whatever for him, each man ruling his district as he sees fit. I do not find any difference between the Carranza faction and the Villa faction, with the exception that Pancho Villa seems to have a better control over his men. It is rumored throughout the Carranza troops that Obregon and Villa are about to launch against Carranza.

Having been in personal contact with both factions, I believe that it would be a crime to turn loose this some 200,000 bandits, thieves, and scapegoats on the country. They are rotten with disease and have been divorced from all ideas of ever working again. They will disperse in small bands, and a reign of terror which no leader such as Carranza will have the strength or power to overcome.

I repeat that if Carranza is given control of the country that it will be only a short time until another movement is launched to eliminate Carranza from the situation.

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BEATY APPENDIX B.

The following are from the Tampico Tribune, under date of August 23, 1919:

TRANSCONTINENTAL CO. ROBBED OF $30,000 UNITED STATES CURRENCY MONDAY—BOX OF HARDWARE SUBSTITUTED FOR ORIGINAL BOX THAT WAS SENT TO THE LOWER COUNTRY—THIEVES LEAVE NO TRACE—EVIDENT THAT ROBBERY WAS SKILLFULLY PLANNED AND EXECUTED.

The largest robbery of the week took place last Monday, when the Transcontinental Oil Co. was robbed of $40,000 United States currency. There were no masked men with rifles, no fireworks or anything of the kind to make the robbery spectacular, but a box containing 30,000 iron men disappeared as if by magic.

Between 9 and 10 o'clock Monday morning one of the local banks made up the pay roll and placed it in a wooden box and consigned it to the Transcontinental at Mata Redonda. The money was to be used in paying off the men employed by the company, and also those of a local contracting firm. The box was taken to the fiscal wharf under guard of two employees of the oil company and placed in the captain's cabin on board of the tug *Hartsell*. This was the last seen of the money by anyone in the employ of the Transcontinental, as far as is known.

It was the intention of the captain to shove off Monday afternoon, but because of some unexpected delay the tug did not leave until the following morning. During the night the box containing the money was left unguarded. except for the regular watchman who was on the job.

When the box was opened at its destination it was found to contain bolts, nails, and other hardware. An investigation o fthe robbery was started, but up to the present no trace of the missing money has been discovered. The robbery was premeditated, as a new box was substituted for the original and seals similar to those used by company had been placed on the box.

AGWI CO. PAYMASTER ROBBED OF $4,060 GOLD ON ROAD TO TEPETATE—THREE MASKED AND ARMED MEN HELD UP LUIS GUTIERREZ, PAYMASTER, AND DE LACY—NEITHER WERE INJURED—FAIRLY GOOD DESCRIPTION OBTAINED OF ONE OF THE BANDITS.

The Agwi Co.'s paymaster was held up 3 miles east of Tepetate, on the company's right of way, last week, and $4,060, all in United States currency, taken.

The paymaster, Luis Gutierrez, accompanied by Kenneth De Lacy, were nearing camp when they were accosted by three armed men, who ordered them to hold up their hands and turn over the money. While the hold-up was taking place the handkerchief which one of the bandits had tied over his face fell off and Mr. De Lacy was able to get a fairly accurate description of him. He is said to have been a well-dressed man, probably 23 years of age, smooth shaven, and weighing about 125 pounds. The other man, evidently a youngster, wore a red bandana handkerchief over his face, with eyeholes cut in. Both of the men carried Winchester rifles. The third man was concealed in the brush and seemed to be the leader of the gang, as all movements were directed by him.

After the money had been taken the Agwi men were ordered to proceed and not to turn around if they did not care to be shot.

Neither of the men who carried the money for the company knew 10 minutes before leaving Tampico they were going and neither knew that they were going to carry money. The bandits seemed to know exactly what they were after, however, as the man who was not carrying the money was not even searched. They merely took the moral from the man who was carrying it, and without looking into it rode away.

PENN-MEX FUEL CO. ROBBED OF $25,000 MEXICAN AT TUXPAM TERMINAL—SEVEN BANDITS ACCOMPLISHED ROBBERY WHILE TWENTY-ONE MORE REMAINED IN RESERVE—NO ONE HARMED—ROBBERY SO QUIET THAT AMERICAN SLEEPING IN CAMP NOT AROUSED.

The Penn-Mex Co., not to be outdone by other oil companies, comes to the front with the report that they were held up last week by bandits and the sum of $25,000 Mexican money was taken. Most of this money was in Mexican gold currency.

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The robbery took place on the island occupied by their terminal, and it is thought about 28 men had a hand in it, although the actual robbery was committed by 7 men. It was 1 o'clock in the morning when the cashier, H. M. Krimbill, was awakened by two armed men, who ordered him to dress and accompany them to the company's offices where the safe containing the money was located. When the offices were reached, two of the men went inside while two others stood watch on the outside. After securing the money they proceeded to the wharf, where they were joined by three more men who, in the meantime, had awakened the launch crew and commandeered one of the company's boats. The bandits then ordered the crew to take them across the river to a point about 2 miles above the terminal. At this point, according to members of the crew, 21 men were waiting for the original members of the gang.

Each member of the outlaw gang was heavily armed, but during the whole proceedings not one of them took their rifles from their shoulders except when they carried off the money. At the time there were at least 25 Americans asleep in the camp, but the robbery was committed so quietly and in such a precise manner that no one knew a thing about it until the robbers were well on their way.

PAT COYNE KNIFED BY DISCHARGED EMPLOYEE—SLASHED WITH DIRK WHEN HE REFUSED TO HAND OVER AN EXTRA WEEK'S PAY—INJURIES NOT SERIOUS.

Pat Coyne, of the Texas Co., was severely cut by one of his employees the first part of the week. Mr. Coyne had discharged the man for incompetency a few days before and gave the matter no further thought. Early Monday morning the man appeared and demanded an extra week's pay. Upon being refused, he drew a knife from his belt and slashed Coyne across the arms and hip before Coyne knocked him down with the butt of a gun.

While his injuries are not serious, they are very painful, and it will be several weeks before he will be able to return to work.

Col. Orosco, with his usual promptness, sent a squad of soldiers to arrest the man who did the cutting, but he had escaped.

DEPARTMENT OF STATE,
Washington, July 12, 1918.

THE TEXAS CO.,
17 Battery Place, New York City.

GENTLEMEN: In further reply to your letter of May 9, in regard to the depredations of bandits upon your property in the State of Vera Cruz, Mexico, I inclose for your information a copy of a dispatch from the American ambassador at Mexico City in relation to the matter

I am, gentlemen,
Your obedient servant,

For the Secretary of State:

ALVEY A. ADEE,
Second Assistant Secretary.

DEPARTMENT OF STATE,
Washington, May 17, 1918.

The TEXAS CO.,
17 Battery Place, New York City.

GENTLEMEN: The department has received your letter of May 10, quoting a report of the treasurer of your subsidiary, the Texas Co. of Mexico, S. A., to its president, in regard to conditions in the Mexican oil fields.

I am, gentlemen,
Your obedient servant,
For the Secretary of State:

ALVEY A. ADEE,
Second Assistant Secretary.

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MAY 17, 1918.

The Honorable the SECRETARY OF STATE,
Washington, D. C.

SIR: I have the honor of acknowledging your esteemed favor of the 13th instant, in which you advise that the matter presented to you in my letter of the 9th instant is being brought to the attention of the Mexican foreign office with the request that adequate protection be accorded to our property in Mexico.

Taking this opportunity of thanking you, I am, sir,

Respectfully, yours,

(Signed) W. A. THOMPSON, Jr.,
Vice President.

DEPARTMENT OF STATE,
Washington, May 13, 1918.

Mr. W. A. THOMPSON, Jr.,
Vice President The Texas Co.,
17 Battery Place, New York City.

SIR: The department acknowledges the receipt of your letter of May 9, 1918, quoting portions of two reports received by you from your company's foremen in the Tepetate District, State of Vera Cruz, Mexico, from which it appears that money and other property have recently been taken from your company by Mexican bandits.

In reply you are informed that a copy of your letter has been sent to the American Embassy at Mexico City, with instructions to bring the substance of your communication to the attention of the Mexican foreign office and to request that adequate protection be accorded to the property of the Texas Co.

I am, sir,

Your obedient servant,

For the Secretary of State:

ALVEY A. ADEE,
Second Assistant Secretary.

MAY. 9, 1919.

The honorable the SECRETARY OF STATE,
Washington, D. C.

SIR: On the 1st ultimo I had the honor of addressing you in relation to disturbances occurring in connection with our operations in the Mexican oil fields.

I am now in receipt of further advices, and I quote from two reports made by the foreman of our Rosas camp, in the Tepetate section, State of Vera Cruz, as follows:

"APRIL 6, 1918.

"This morning about 3 o'clock I was held up here in Rosas camp by five bandits. These men came first to the bodega, breaking open same and taking out two saddles and a tarpaulin, then come into the house demanding 5,000 pesos. I had to open the desk for them. I only had about 150 pesos in the desk so they took that, then took four blankets, also going through my clothes and taking my watch.

Things seem to be getting worse all the time, and it looks as though we will have more trouble."

"APRIL 7, 1918.

"This evening about 7 or 8 o'clock another bunch of men came in and held me up, demanding 30 pesos and making threats and throwing their gun down on me. I gave them 30 pesos and then they wanted 10 more, which I gave them, this amounting to 40 pesos. There were about 20 men in this bunch and all of them were drinking."

I am, sir,

Respectfully, yours,

(Signed) W. A. THOMPSON, Jr.,
Vice President.

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MAY 10, 1918.

The honorable the SECRETARY OF STATE,
Washington, D. C.

SIR: I again have the houor of addressing you with regard to the distrubed conditions in the Mexican oil fields.

As stated to you in a previous communication, our Mexican interests are owned and conducted through our subsidiary, the Texas Co. of Mexico, S. A. Mr. Clarence A. Miller is vice president and general manager of this concern and Mr. Theodore Rivers is its treasurer, both having headquarters at Tampico, Mexico.

I have before me a report made by Mr. Rivers to Mr. Miller, under date of April, 1918, and beliving that it may be of some interest to you, I am taking the liberty of quoting same in full as follows:

"On April 16, at 5.30 a. m., I left Tampico with Mr. Prather of the Island Oil Company, for Tepetate, going in a car over the Huasteca Petroleum Co.'s right of way. Upon arriving at Maume, a landing on the San Geroimo River, I met Mr. Sam Patrick with others of the producing department, waiting the arrival of Messrs. Moran and Kincheloe, who are also on their way to Tepetate, having left Tampico in a launch for Maume, a landing about 16 kilometers north of Tepetate.

Upon arriving at our producing and pipe line camps at Tepetate. I found the pipe line camp in charge of a young Mexican who has been employed at this camp for several months as timekeeper. Messrs. Moran, Kincheloe and Patrick arrived at the camp about 4 p. m.

On the same date, April 16, in company with Mr. Prather, I visited a general at Juan Casiano in charge of the troops operating in the Tepetate district. We were informed by this general that protection would be afforded to all oil companies operating in that district, and advised all of the men to return to Tepetate who had left there a day or two previously on account of the chaotic conditions. On the same night, of April 16, our pipe-line camp was visited by five or six armed men, who demanded something to eat. Upon advising them that we had nothing prepared at that hour (12 a. m.), they left the camp, stating that they would return the next day. On the 17th several soldiers appeared at the camp and again asked for something to eat, to whom we gave several cans of sardines, salmon, etc. On this same morning, in company with Messrs. Moran, Kincheloe, and Patrick, we again visited the general in charge of the troops at Juan Casiano, advising him of what had occurred during the night. He again advised us that all camps would positively be given protection, and to advise representatives of the oil companies to send back again all of their men to the Tepetate oil fields. During the morning of this same day, April 17, Messrs. Kincheloe and Patrick returned to Tampico, leaving the producing camp in charge of Thomas O'Connell and R. M. Munez. Mr. Moran and I remained at the pipe-line camp.

During the night of April 17 another armed force of five or six men made their appearance again at the pipe line, demanding liquor. After advising them that we had no liquor at the camp, they left. During the day of April 18 some more armed men appeared at the camp, demanding something to eat, to whom we gave a few cans of meat, etc. During the night of April 18, at about 1 a. m., six armed men made their appearance again, demanding that we open the door at the camp where Mr. Moran and I were sleeping. Upon threatening us that they would enter by force if we did not open the door, and seeing danger ahead, I opened one door leading into our room, where they demanded 20,000 pesos or Mr. Moran and myself would be marched to Chinampa. However, they were finally satisfied with relieving me of my watch and five or six dollars that each Mr. Moran and myself had on our persons. After they left, Mr. Moran and myself went to the producing camp, where we advised those in charge of what had happened. After placing all valuables in that camp in a safe place, we went to the Mexican Gulf camp, where we were advised that six armed men had been there about an hour previously and relieved them of about 400 pesos.

On the night of April 19 nothing occurred, perhaps on account of raining all night.

On Saturday, April 20, I returned to Tampico (Mr. Moran remaining at Tepetate) in a car with Mr. Perry, of the Mexican Gulf, over their pipe line

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right of way, where we met Messrs. Oliver and Stevenson, of our company, going to Tepetate in one of the company's cars.

On Sunday, April 21, Mr. Moran returned to Tampico.

I may also state that during the night of April 16 our warehouse was broken into at Tepetate, where some six blankets were stolen.

I may also state that I was informed by the foreman in charge of the Aguila drilling camp at Tepetate that they were issuing from 50 to 75 meals per day to soldiers and were occasionally being mistreated. Similar information I also obtained from those in charge of the Haustteca camp at Juan Casiano.

I am, sir,

Respectfully, yours,

(Signed) W. A. THOMPSON, Jr.,
Vice President.

APRIL 1, 1918.

The honorable the SECRETARY OF STATE,
Washington, D. C.

SIR: I have the honor of stating to you that we have substantial interests in the oil fields of Mexico and that these interest are owned and conducted through our subsidiary, the Texas Co., of Mexico, South America, with headquarters at Tampico, Mexico. Below I am taking the liberty of advising you of recent occurrences in connection with our operations in Mexico, which are reported to me by our Tampico office, substantially as follows:

One of our drilling operations is conducted at what we call our Camp Obando, which is located in the Chinampa section, State of Vera Cruz, west of Lobos Island about 20 miles inland from the coast.

On February 8, 1918, about 50 Carranzista soldiers came to Camp Obando and demanded horses, saddles, and a supply of provisions. They took four horses and one mule, but did not take any saddles on this visit. Our representatives fed these soldiers and on leaving they took with them rations for about 50 men.

Again on February 14 ten Carranzistas paid the camp another visit, taking the saddles and more provisions. They also searched the camp for arms.

On February 17 the same party again visited Camp Obando, demanding 15,000 pesos, clothing, and provisions. They were told that there was no money in the camp, and they were finally gotten rid of by giving them provisions.

This same party of Carranzistas again returned to Camp Obando on the night of February 22, about 9.30 p. m., and demanded money. On being told there was no money in camp, they insisted that there was, and threatened to kill unless their demands were complied with. At the point of rifles they finally secured 2,345 pesos from our employees and then departed. About five minutes later one of the party returned to our camp, stating that he wanted more money, as his associates had not given him his share of the money that had been stolen five minutes earlier. On being told there was no more money in camp, the robber threatened to kill all of our men unless his demand was complied with. Our employees finally overpowered this man, took his gun and cartridges from him, and drove him from Camp Obando. Being fearful of another visit that night, our employees then left Camp Obando, going to our Camp Tepetate, a few miles distant.

On February 12, 1918, our paymaster, Edward House, left the Government dock at Tampico, on the Panuco River, about 7.30 a. m., aboard the launch *Alex*. Mr. House had in his possession between 22,000 and 24,000 pesos, which he was attempting to take to the lower fields for pay-roll purposes. At or about 9 a. m., when near Santa Tomas, in the Chijol Canal, a few miles south of the Panuco River, the boat was attacked by seven bandits. Aboard the launch *Alex* were perhaps six or seven men, including the captain, pilot, and engineer. One of the bandits was stationed some 300 yards from the others, and on seeing the boat stepped up on the bank and fired several shots. The other bandits appeared and the boat pilot was signaled to come to the river bank, which he did. Paymaster House refused to give up the money in his possession and shots were exchanged. After the shooting was over and the robbers gone it was found that the pilot, captain, and engineer had disappeared. Paymaster House and the remaining members of his party then returned to Tampico in the launch *Alex* and reported the attempted robbery. It later developed that the pilot who took the launch down the canal and fled at the time of the hold-up had been shot through the left arm.

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Although there had been a number of hold-ups of the paymasters of the various oil companies in the Chijol Canal, the following day Mr. House succeeded in taking our pay rolls and funds through the canal to our camps and returning to Tampico in safety.

Due to the danger of these hold-ups, representatives of the various oil companies held a meeting in Tampico on February 20, 1918, and decided that in sending their paymasters down the Chijol Canal it was desirable to send two or three launches at about the same time, with the idea that greater protection would be afforded.

On the morning of February 21, 1918, our launch *Alex-2* left Tampico at 7.30 in the morning, bound down the Chijol Canal, and ordinarily Paymaster House would have boarded this launch with his funds. Fearing the bandits might be lying in wait for him, he left Tampico a half hour later in the launch *Hoopla*, owned by the Metropolitan Co., and in company with their paymaster, Mr. Minnett, and other Metropolitan employees. A little later the Metropolitan speed launch *Thenedara* followed the *Hoopla*. At about 8.30 a. m. the launch *Alex* arrived at a point in the Chijol Canal about 2½ miles below the Panuco River and was fired into and stopped by bandits who demanded Paymaster House and his money. Mr. House not being aboard, the bandits robbed the other occupants of this launch. While this robbery was in progress the *Hoopla* arrived, and she was immediately fired into by the same bandits. Mr. Minnett and a launch boy were wounded, as a result of which the launch immediately came to the shore. The bandits demanded money and a number of boxes of silver were passed out by Mr. Minnett. A further demand was then made for gold. The gold coin belonging to the Metropolitan Co. was then handed over to the bandits. About this time Paymaster House appeared in the doorway of the cabin of the *Hoopla* with a shotgun in his hands. A fusillade followed, and Paymaster House, an American citizen, dropped dead, shot through the head. The party was robbed of about 15,000 pesos.

About this time the speed launch *Thenedara* came along and was fired upon, one of the launch boys being wounded. The launch kept going at full speed and Mr. Walter Prather, manager of the Metropolitan Co., who was aboard, was also wounded.

I am, sir,

Respectfully, yours,

(Signed) W. A. THOMPSON, Jr.,
Vice President.

DEPARTMENT OF STATE,
Washington, April 3, 1918.

Mr. W. A. THOMPSON, Jr.,
Vice President of the Texas Co.,
17 Battery Place, New York.

SIR: The department acknowledges the receipt of your letter of April 1, 1918, relative to the interests in the Tampico district of the Texas Co. of Mexico, S. A., and to the seizure by Mexican soldiers of draft animals, money, and provisions belonging to the company. You also give an account of the recent killing of your company's paymaster, Mr. Edward House, by bandits, near Tampico.

In reply you are informed that, basing its action on reports received from the American consul at Tampico, the department in February last sent telegraphic instructions to the American Embassy at Mexico City, directing it to request the Mexican Government to take steps to apprehend and punish the bandits responsible for Mr. House's death. The embassy was also given instructions to make representations in the matter of the seizure of draft animals, money, and supplies belonging to American companies in the Tampico district.

A copy of your letter has been sent to the American Embassy at Mexico City for its information.

I am, sir,

Your obedient servant,
For the Secretary of State:

ALVEY A. ADEE,
Second Assistant Secretary.

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[Circular No. 48, fixing the rates for the assessment of the tax on export petroleum during the bimonthly period of September and October, 1919.]

CIRCULAR 48.

In conforming with the provisions of article 4 of the law of April 13, 1917, and decrees of June 30 and October 16 of the same year, this department has deemed proper to direct that for the assessment of tax on export petroleum during the bimonthly period of September and October the following rates shall govern:

Fuel oil, of a density of 0.91	per ton	$13.00
Crude oil, of a density of 0.91	do	15.50
Oil of a density greater than 0.97	do	6.00
Gas oil of a density of 0.91	do	13.00
Refined gasoline, in bulk or packages	per liter	.12½
Crude gasoline, in bulk or packages	do	.11¾
Kerosene, crude or refined, in bulk or packages	do	.07½

The rates of crude, fuel, and gas oil shall be increased or reduced in accordance with the provisions in section A of article 1 of the law hereinbefore quoted, and according to the order of this department dated April 17 last.

Constitution and reforms, Mexico, August 26, 1919.

LUIS CABRERA, *Secretary.*

RATHBONE EXHIBIT C.

NEW YORK, N. Y., *August 16, 1919.*

MY DEAR MR. RATHBONE: Herewith the translaion of the amparo decision, together with the papers you left with me. The nonappearance did no harm. This decision is very badly written and spreads itself all over the lot, but in substance it held that the question is one for the courts and not for the administrative authorities and throws in a lot of remarks about the decrees, which, while of interest, are not very important.

Very truly, yours,

BURTON W. WILSON.

Mr. CHAS. H. RATHBONE,
120 Broadway, City.

NEW YORK, N. Y., *August 18, 1919.*

SCOTTISH MEXICAN OIL CO.,
120 Broadway, New York, N. Y.

DEAR SIRS: In reference to the decision given by the first district court of the City of Mexico dismissing the amparo started by me against the acts of the Industry and Commerce Department who granted the drilling permit to Mrs. Isabel Hernandez de Barrera on land leased by us, I beg to state that the legal argument contained in such decision are far from legal and well founded.

The circular issued by the Industry and Commerce Department on the 5th of November, 1915, ordering that all the oil companies should make a manifestation of their properties, was not complied by us because while we acquired title in 1914, our title was not prtocolized until 1918, and because administrative regulations can not, ipso facto, nullify rights legally acquired which can be legally enforced.

In reference to my not personally appearing the day appointed for the hearing, I have to state that as the court is very busy and does not take any notice of the oral arguments made on the day of the hearing, the attorneys as a rule prefer to present written pleas, which I did in the case, and copy of which was duly sent to Mr. Malda in this city.

The more I consider the case the more I am convinced that if the case was to be decided on its merits the decision would be entirely in our favor.

I remain as always, dear sirs,

Yours, most sincerely,

R. PARDO.

[TRANSLATOR'S NOTE.—Amparo is a proceeding unknown to American practice. It is a sort of habeas corpus in civil cases, which is virtually a request for a permanent injunction and in connection with which a temporary injunction may be granted by the court of first instance. An appeal lies from this injunction.]

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The Citizen Lic. Ignacio C. Rodriguez, secretary by full right of the first court of the district in the Federal district, certifies that in the record of the suit of amparo brought by Lic. Rafael Pardo, attorney in fact of the Scottish Mexican Oil Co., against acts of citizen official mayor, in charge of the department of industry, commerce, and labor, for violation of articles 14 and 16 of the general constitution of the Republic, is found in a sentence which shows literally:

Mexico, July 21, 1919. Having been examined, this suit of amparo brought by Lic. Rafael Pardo in representation of the Scottish Mexican Oil Co. against acts of the official mayor in charge of the department of industry, commerce, and labor for violation of articles 14 and 16 of the constitution, and it appearing:

First. That by a document executed in the city of Tampico on the 29th day of April, 1910, Mrs. Isabel Hernandez viuda de Barrera, Mr. Henor Barrera, Mrs. Sabina Barrera de la Paz, and Mrs. Tomasa Barrera entered into a contract with Stuart M. Bowman for the subsoil of various rural properties, in virtue of which Mrs. Hernandez viuda Barrara declared herself to be the owner of a rural property and of lot No. 21 of Potrero de la Isleta, of the municipality of Panuco, Canton of Ozuluama, State of Vera Cruz. That in said contract there was granted to Stuart M. Bowman the right of exploration of the subsoil and of the exploitation of the products that might be found there and which were not expressly reserved for the reason of being denounced in accordance with the Federal laws on the subject, such as petroleum, asphalt, and other substances mentioned in the said writing.

That Bowman, using the rights conferred in the said contract under date of the 30th of July, 1910, and in accordance with the document executed in the city of New York, assigned his rights to the National Oil Co. of Mexico. That this company transferred these rights in turn to the Scottish Mexican Oil Co. by contract made and executed under date of the 24th of July, 1914, in the city of Wilmington, United States of North America, which contract was duly protocolized in this Republic. That by official communication No. 04117, signed by the department of industry and commerce, there was communicated to the petitioner, as representative of the Scottish Mexican Oil Co., that there had been granted to Mrs. Isabel Hernandez viuda de la Barrera permission to drill an oil well, No. 1, in lot No. 19, of Potrero de la Isleta, and that if the company believed that it had right to the same lot it should make its right effective before the competent judicial authority. That as this lot is the one which was formerly indicated by the No. 21 and in respect to which the company has the right which rises from the different contracts mentioned hereinbefore, under date of the 28th of December last, the company directed a petition to the department requesting a revocation of the permit, for the reason that it would be an injustice to oblige it as owner or lessee of the land covered by legal documents to institute a slow and costly suit in order to defend its rights, infringed upon by an individual through an erroneous manifestation made to the said department. That the latter disallowing this petition under date of January 6, and through the department of petroleum replying in an official communication, in which it was made known that it granted the permit to the Widow Barrera because she duly proved her rights in the lot in question, that on the other hand the Scottish Mexican Oil Co. is not registered in the department nor has it made any manifestation of its oil properties, either in accordance with the oil regulations or in conformity with the late decrees, for which reason the department consider that the permit granted should not be revoked, and that if the company considers its rights injured it should resort to the competent judicial authority.

That against this resolution which granted the permit before mentioned and the revocation of which was denied, the company asked protection from the Federal judges and the suspension of the act complained of as being in violation of articles 14 and 16, since the said orders of the department deprived the company of its properties, possessions, and rights without judicial determination by the courts under formalities essential to legal procedure and in conformity with existing laws, and also without determination of competent authority nor with legal justification for such determination. The company cites as foundation for its rights articles 2936, 2950, and 2952 of the Civil Code, which cover rights arising from contracts of lease. It appearing:

Second. The complaint having been presented, the court asked for a report from the department, which was made by the subsecretary of industry, commerce, and labor, who stated that the permission to drill, which is the subject of the complaint, was given by the proper agency to Mrs. Isabel Hernandez

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viuda de la Barrera on the 15th day of October of the preceding year and was confirmed by the department on the 28th day of the same month in complete conformity with the provisions contained in the decrees of the 7th of January and the 28th of April, 1915. That concessionaire proved her right in the land on which the drilling was to be done and the permit was conceded to her without prejudice to third parties, by which the rights of the company were reserved in order that the company could establish them before the proper person, since the department was not competent to determine whether the complaining company has rights acquired by the lease on which it stands, a lease which, according to Mrs. Barrera, is invalid, is not able to reconsider its act in granting the permission and for this reason refuses to revoke it; that besides, the company has not complied with the provisions of the decree of the 5th of November, 1915, and the department having acted with complete accordance to the existing laws, and furthermore that the provisions of the Civil Code cited refer to the relationship between lessor and lessee but not to third parties, in which class the department is. It appearing:

Third. The complaining company produced as proof various public documents relating to contracts of rental, of which mention was made in the demand, and to-day being the day set for argument and neither party having appeared, it is proper to render this decision, after reading the proofs of the complainant and the public prosecutor. It is found: The responsible authority affirms in its report that the permission granted to Mrs. Isabel Hernandez viuda de la Barrera was in entire accordance with the dispositions of the decrees of the 7th of January and 28 of April, 1915, and since the complaining company did not comply with the provisions of the decree of the 5th of November of that year in order to protect its rights; that is to say, did not make record thereof nor present a manifestation in duplicate required by article 1 of said decree, with the result that this department, not having been advised as to what such rights are, could not consider them when a third person had presented deeds to the land. In addition, the department reports that the company has not complied with the late petroleum decrees. As a result it ought to be considered that the department is justified and has not violated the existing regulations in conceding the permit requested by Mrs. Barrera, leaving the right of the complaining company unprejudiced in order that they may be established in a proper suit, and inasmuch as the said department says that the provisions of the civil code cited control the relations between the contracting parties but do not bind outsiders.

Then, again, the complaining company has not shown that it has complied with the requirements of the existing decrees, which it is its duty to do in order that the proper department should be able to recognize its rights and for which reason this department has not been able to recognize them and from which it follows that its determinations have violated the constitutional rights, which were not preserved according to law and consequently are nonexistent, because of the foregoing this court, taking as a basis articles 103, fraction 1, and 107, fraction 10, of the constitution, 661, fraction 1, 662, 742, and 743, of the Federal code of civil procedure, decides: First. The justice of the Union does not protect the Scottish Mexican Oil Co. against acts of the department of industry and labor, consisting in having authorized, in favor of Mrs. Isabel Hernandez viuda de la Barrera, permission to drill oil well No. 1 in lot No. 19 of Potrero de la Isleta and in having refused to revoke such permit. Proper notice is to be given and the stamps that are lacking in the record are to be demanded. So it was decided, Citizen Lic. Pedro Castellanos Figueroa, first judge by right of the Federal district, at the hearing in which the parties did not appear. Evidence whereof (signed) Pedro Castellanos Figueroa, "In confirmation of the order entered this day and upon the petition of Mr. Lic. Rafael Pardo, attorney in fact of the Scottish Mexican Oil Co., is issued with stamps duly canceled according to law, in the city of Mexico on the 7th day of the month of August, 1919.

IGNACIO RODRIGUEZ.

CASE OF THE SCOTTISH MEXICAN OIL CO. (LTD.) WITH COMMERCE AND INDUSTRY DEPARTMENT IN MEXICO.

I. The Scottish Mexican Oil Co. (Ltd.) is a British corporation incorporated under the companies (consolidation) act of 1905, at Edinburgh, Scotland, on the 5th of September, 1910. The certificate of incorporation was issued by Kenneth McKenzie, registrar of joint-stock companies, bearing No. 7653.

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II. On the 29th of April, 1910, in the city of Tampico, State of Tamaulipas, Republic of Mexico, and before the Notary Public Cruz Garcia Rojas, Mr. Stuart M. Bowman, a British subject entered into a contract of lease with Mrs. Isabel Hernandez, widow of Barrera; Mr. Henor Barrera accompanied by his wife, Mrs. Alberta de la Paz, Mrs. Sabina Barrera, accompanied by her husband, Mr. Dario de la Paz, and Tomasa Barrera, and by said agreement Mr. Bowman acquired the rights to explore and exploit the subsoil of certain lots owned by the Barrera family.

Among said lots were included in such lease the two following lots owned by Mrs. Isabel Hernandez vda. de Barrera, to wit:

(*a*) Lot No. 21 of Potrero de la Isleta, of the municipality of Panuco, district of Ozulama, State of Vera Cruz, Republic of Mexico, comprising a superficial area of 4 hectaras, 25 aras, and 23 centiaras, bounded as follows:

On the north by lot No. 22 of Potrero de la Isleta; on the south by lot No. 20; on the east by the lot belonging to Cecelio Torres; and on the west by the lot belonging to Henor Barrera and Canuto Perez. This land was acquired by Mrs. de Barrera through inheritance from her mother.

(*b*) A farm situated in Potrero de la Isleta, lying between the following boundaries:

On the north the farm belonging to Canuto Perez; on the south the farm belonging to Blas Bernal; on the east lot No. 21; and on the west the Panuco River, comprising a superficial area of 3 hectaras and a small fraction. This land was acquired by Mrs. de Barrera through inheritance from her grandfather.

III. The first attested copy of said lease was duly recorded as provided by the Mexican laws in the public register of Ozulama on the 18th of January, 1911, under the No. 11, folios 52 front to 56 back, of the corresponding book in section 3.

IV. On the 30th of June, 1910, by an agreement entered into in the city of New York, Mr. Stuart M. Bowman transferred and assigned to the National Oil Co., of Mexico, a corporation of Delaware, United States of America, all the rights which he held to exploit and explore the subsoil of the above-mentioned lots.

This agreement was duly protocolized in Mexico City on the 18th of December, 1913, before the Notary Public David Lazo, and the first attested copy of said protocolization was duly recorded in the mentioned public register of Ozulama on the 21st of January, 1914, under the No. 9, folios 21 back to 32 front, in the book of leases, section 3.

V. On the 24th of July, 1914, in the city of Wilmington, Del., United States of America, the National Oil Co., of Mexico, transferred and assigned to the Scottish Oil Co. (Ltd.) the same rights which the first-named corporation acquired from Mr. S. M. Bowman to explore and exploit the subsoil of the above-mentioned lots owned by Mrs. de Barrera.

This agreement was protocolized in the city of Tampico on the 24th of May, 1918, before the Notary Public Fernando Lachica y Flores; the first attested copy of the protocolization was duly recorded in the Public Register of Panuco because the Public Register of Ozulama was removed to Panuco.

VI. On October 12, 1918, the Tampico Tribune, a paper published in Tampico, reported that "Isabel Hernandez, widow of Barrera, has asked for a permit to drill on property between holdings of Penn Mex and that of Cia. Petrolera la Universal."

As all seemed to indicate that such permit referred to lot No. 21 of Potrero de la Isleta, the Scottish Mexican Oil Co. (Ltd.), through its agent in Tampico, asked information about this matter from the technical inspector of petroleum in that place. They were told that the above-mentioned permission has reference to lot No. 18, and when said agents called the attention of the inspector to the fact that lot No. 18 was under lease to the Cia. la Universal, he stated that the lady had reference to only a portion of said lot No. 18.

VII. The attorney at law of the Scottish Mexican Oil Co. (Ltd.) in Mexico City tried also by all means to obtain information from the commerce and industry department about this subject, but the department flatly refused to give it.

VIII. On the 28th of November, 1918, the agents of the Scottish Mexican Oil Co. (Ltd.) in Tampico were somewhat suspicious of the information given to them by the technical inspector of petroleum, and therefore visited the aforesaid lots and found drilling machinery thereon, and they discovered that the permit was not asked to drill on lot No. 18 as assured by the inspector, but to

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drill on the farm adjacent to lot No. 21, both under lease to the Scottish Mexican Oil Co. (Ltd.).

IX. As the permission was applied for through the technical inspectorate of petroleum in Tampico, upon making inquiry of the inspector as to the first report given by him, he confined his answer to the statement that he had not seen the application, and that the report had been rendered by an employee.

X. Attention must be called to the fact that on the occasion of the first report of the inspectorate office they went so far as to show the agents of the Scottish Mexican Oil Co. (Ltd.) on the plan the exact place where they stated the well has to be drilled as per application, and which was at the back of lot No. 18, they at the same time informing that lot No. 21 and the adjacent farm leased to the Scottish Mexican Oil Co. were quite a long distance from said place.

XI. No official notices are published on these subjects, and in the technical office in Tampico they are very reserved about information that they give out only mentioning the main points of any matter without any sort of details.

XII. The attorney of the Scottish Mexican Oil Co. (Ltd.) of Mexico City was instructed by the officers of said company in New York as well as by the agents of the company in Tampico to immediately file a protest in the commerce and industry department against the issuing of said permit. This protest was filed on the 4th of December, 1918, as per the translation of the application thereof inclosed herewith.

XIII. On the 12th of December, 1918, the commerce and industry department decided on the application mentioned in the previous paragraph stating that the "Department granted a permit to Rodrigo Loyo, attorney for Mrs. Isabel Hernandez vda. de Barrera to drill the well No. 1 in lot No. 19, situated in Potrero de la Isleta, congregation of Paciencia y Ohuacate, municipality of Panuco, District of Ozuluama, State of Veracruz in virtue of that evidence was given before the same department of the rights held by the said Mrs. Hernandez vda. de Berrera to the lot in question. If the company which you represent believes to have rights on the same lot, it must prove this before a competent judicial authority; and if this authority decides that the widow of Barrera must not be allowed to undertake drillings on the lot referred to, this department will stop all the works and will withdraw the permit granted, which was done without prejudice of a third party representing better rights."

In view that the permit was issued to drill on lot No. 19 the agents of the Scottish Mexican Oil Co. (Ltd.) could investigate that a new plan of the Panuco oil region had been compiled and that some changes have been made in the number of the lots of Porrero de la Isleta, making what was formerly lot 21 now appear as 19. Such changes were made by agreement between the lawyers and landowners.

As the said protest did not meet with success a telegram as follows was addressed to the attorney of the Scottish Mexican Oil Co. (Ltd.) in Mexico City:

"Your letter December 16 to Tampico Navigation Co. We think you must give full evidence before commerce department of leases by which Scottish-Mexican holds right to exploit lot 21, now 19, and adjacent to Porrero la Isleta. If commerce department refuses again recognize our rights basing decision on our failure to comply with new oil decrees; bring amparo against such decision. Do you believe an "interdicto poseserio (similar to injunction) might be brought by the Scottish Mexican on account machinery placed on lots. Wire answer.

The attorney's reply was as follows:

"Your telegram to-day. December 28 presents petition industry department in your name pleading rights to lot 21; if not granted will file amparo. Consider doubtful obtaining success interdicto but might be intended (brought). Writing fully."

Translation of the application mentioned in the previous paragraph is attached hereto under No. 2.

XIV. On the 30th of December, 1918, the agents of the Scottish Mexican Oil Co. in Tampico had an interview again with the technical inspector of petroleum in said port and were informed by him, at the same time showing to them the respective plan, that the first well for which drilling permit was granted to the widow of Barrera is to be drilled on the farm adjoining former lot 21, now 19. He also informed that a period of three months was granted in which to commence the work of drilling, which would expire this month of January. He added that he can not interfere with the effects of the permit unless he is so authorized by the department of industry, or unless it be so ordered by some court. He further stated that as Mrs. Hernandez vda. de Barrera proved her ownership by means of the respective titles, and as she properly manifested and

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denounced the land in accordance with the provisions of the decrees bearing on such procedure, bringing everything into apple-pie order, there was no reason for not granting her the permit. Also, that as the Scottish Mexican Oil Co., the last assignees of the lands, had not done any of the foregoing, it can not be taken into consideration in so far as the rendering of justice by them (the official of the inspectorate) is concerned.

On the 6th of this month of January the commerce and industry department answered the application of the 28th of December, 1918, filed by the attorney of the Scottish Mexican Oil Co. (Ltd.), as follows:

"Department of Petroleum No. 00048. Subject: Communication that the permit granted by the department to Mr. Hernandez vda. de Barrera to drill well No. 1 of lot No. 19 of Potrero de la Isleta is not withdrawn. Your application, dated December 28, 1918, in which you ask, as attorney at law of the Scottish Mexican Oil Co., to withdraw the permit granted to Mrs. Isabel Hernandez vda. de Barrera to drill well No. 1 of lot No. 19 of Potrero de la Isleta, which you state is owned by the company which you represent, was received. You are told in answer that the department granted to the mentioned Mrs. de Barrera a permit to drill because the said lady duly proved her rights on the lot in question. On the other hand, the company which you represent is not recorded before the department. It neither made any manifestation of their oil properties according to the oil dispositions nor according to the new oil decrees. In consequence, the same department deemed that the permit granted by the widow of Barrera must not be withdrawn, and therefore it does not withdraw it. If the company which you represent believes that its rights are harmed by the decision, it must apply in demand of justice before the competent judicial authority. As you ask in your application inclosed herewith, is the original of the attested copy sent by you, and a copy of same was attached to the respective file for the corresponding effects. Constitution and reforms, Mexico, 6th of January, 1919. The chief clerk in charge of the Secretary Leon Salinas (signed) to Señor Lic. Rafael Pardo, attorney of the Scottish Mexican Oil Co. (Ltd.), Avenue Uruguay 94.

"XV. The officials of the Scottish Mexican Oil Co. (Ltd.) in New York, in view of the decision of the department, addressed to Col. John M. Denny at Dumbarton, Scotland, on the 17th of January, the following telegram:

"Mexican Government denies our rights on very valuable Scomex lease-granting denouncement and drilling permit to Mexicans under new oil decrees, which are confiscatory. Mexicans drilling machinery now on lease. This is beginning of confiscation foreign oil properties held under titles dated prior to Mexican constitution of 1917. Please vigorously solicit protection from proper sources, cabling us instruction."

Col. John M. Denny's reply is as follows:

"Wire received. Approaching foreign office at once. Presume you are taking vigorous action corresponding office your side."

XVI. The issuing of the said permit by the commerce and industry department in Mexico in favor of the attorney of Mrs. Isabel Hernandez vda. de Barrera, and its refusal to recognize the rights held on the mentioned lots by the Scottish Mexican Oil Co. (Ltd.) as assignee of the contract entered into between Mr. S. M. Bowman and the Varrera family on the 29th of April, 1910, means the application of the oil decrees of July 31 and August 12, 1918, to which the Scottish Mexican Oil Co. (Ltd.) failed to comply, because their effect is the confiscation of the properties and rights legally acquired many years ago under the protection of the Mexican laws.

It is pertinent to remark that some information came to the Scottish Mexican Oil Co. that Engineer Alamazan, former technical inspector of petroleum in Tampico, was one of the parties interested in the above-mentioned drilling.

The above memorandum prepared by attorneys of Scottish Mexican Oil Co. (Ltd.), January 22, 1919.

SCOTTISH MEXICAN OIL CO. (LTD.),
By C. H. RATHBONE, *Attorney in Fact.*

CASE OF THE SCOTTISH MEXICAN OIL CO. (LTD.) WITH COMMERCE AND INDUSTRY DEPARTMENT IN MEXICO.

[Translation No. 1.]

To the SECRETARY OF COMMERCE AND INDUSTRY.

Rafael Pardo, acting for the Scottish Mexican Oil Co. (Ltd.) and for Mr. S. M. Bowman, and I will give evidence of it as soon as I can obtain a second

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attested copy of the power of attorney which they granted to me and which is filed in one of the district courts of this capital before you, I respectfully state:

"That on the 29th of November last I filed an application on behalf of the Tampico Navigation Co., inclosing an original telegram and translation of it by which I was instructed to protest against the report which the technical inspector could render, because drilling machinery was found on the lots of that company, which I represent.

The letter of the 18th of November mentioned in the telegram did not reach me, but lately I received another letter dated on the 27th of November last, in which more accurate explanation on the matter was given to me.

Some one, whose name I do not know, because the technical inspector refused to give it, filed an application before the inspectorate asking for a permit to make drillings on a lot of Potrero de la Isle ta. As several of these lots, and among them lot 21 and other 3 hectaras without number, were leased by the family Barrera to Mr. S. M. Bowman, who later transferred said rights to the Scottish Mexican Oil Co. (Ltd.), the representative of that company having been unable to obtain information in regard to the exact place in which the permit had been granted because the inspector told him that the permit had been granted in regard to lot 18 and even showed the plan in which the well had to be drilled, the said representative asked one of the employees of the company to visit the lands and inquire the exact place where the drilling had to be made. Such place was in the farm leased from the Barrera family to Mr. Bowman and by this transfer later to the Scottish Mexican Oil Co. (Ltd.).

This last corporation through its representative, who also acted as "gestor," filed a protest before the technical inspector for having granted a permit on a land which did not belong to the application and by which act the rights legitimately acquired by Mr. Bowman or the Scomex were harmed.

In virtue of the foregoing, I rectify my previous petition of the 29th last under the terms stated in the present, and I formally protest against the permit to drill granted to the person who made the application, reserving the rights of the company and person which I represent, if the permit granted by the inspector should be declared subsistent.

I trust, however, that the authority to whom I address, acting with the rectitude and justification which is characteristic to him, shall order the inspector that this last render to him the accurate report which the case demands and that the said authority shall revoke the mentioned permission to drill.

Therefore I beg you, Mr. Secretary, to regard as filed the protest which this application states and decide that the permit granted unduly to drill the well on lands not belonging to the applicant is to be revoked.

MEXICO, D. F., *December 4, 1918.*

[*Translation No. 2.*]

SECRETARY OF COMMERCE AND INDUSTRY:

Rafael Pardo, acting for the Scottish Mexican Oil Co. (Ltd.), which I prove with the attested copy of the power of attorney which I inclose herewith with a copy asking that the original be returned to me because I need it for other purposes, I respectfully state before you:

That by a communication, No. 04117, sent to me by the department of petroleum of that secertary on the 12th instant you advised me that the department of which you are head granted a permit to Mr. Rodrigo Loyo, attorney of Mrs. Isabel Hernandez vda. de Barrera to drill the well, No. 1, in the lot, No. 19, situated in the Potrero de la Isleta congregation of Paciencia y Ahuacate, municipality of Panuco, District of Ozuluama, State of Veracruz, and he also advised at the end of said communication that if the company which I represent believes that it holds rights on the same lot it must prove it before the judicial competent authority.

According to the information received from the company which I represent, the lot marked now with No. 19 of Potrero de la Isleta is the one that previously was marked with No. 21 in the general plan of the oil properties in the Panuco region. The aforesaid lot No. 21 of Potrero de la Isleta, which has a superficie of 4 hectaras, 25 aras, and 23 centuo aras, bounded on the north by lot No. 12 of Potrero de la Isleta; on the south by lot No. 20; on the east by lot belonging to Cecilio Torres, and on the west by lots belonging to Señor Barrera and Canuto

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Perez. It was leased from Mrs. Isabel Hernandez vda. de Barrera to Mr. S. M. Bowman by "escritura" (public document) granted in the city of Tampico on the 29th of April, 1910, before the notary licentiate Cruz Garcia Ropas. Mr. Bowman transferred his rights on the mentioned lot to the National Oil Co. of Mexico by "escritura" granted in the city of New York on the 20th of June, 1910, before the notary public Augustus P. Barranco, and it was protocolized in this city on the 18th of December, 1913, before the notary public licentiate David Lazo. The National City Oil Co. of Mexico transferred all its rights which it held on lot No. 21 and those on other properties to the Scottish Mexican Oil Co. (Ltd.) by "escritura" granted in the city of Wilmington, State of Delaware, United States of America, the 24th of July, 1914, and it was protocolized in the city of Tampico, Tamaulipas, on the 24th day of May, 1918, before the notary public licentiate Fernando Lachica Flores.

The attested copy of said escritura is attached to the corresponding file of suit of amparo, which I brought on behalf of the Scottish Mexican Oil Co. (Ltd.) before the first district court of this capital and from which I have asked a certified copy of said escritura to file it in this department.

As soon as said certified copy is filed the rights of the Scottish Mexican Oil Co. (Ltd.) to lot No. 21 of Potrero de la Isleta, now marked with No. 19 of said Potrero, will be proven in an indiscussable manner; it being so, then the department may check with the examination of the old and new maps and with the report and deeds filed by Mr. Rodrigo Loyo, attorney for Mrs. Isabel Hernandez vda. de Barrera, that the Scottish Mexican Oil Co. (Ltd.) is the lessee of the mentioned lot and therefore the permit granted to said Mr. Loyo to drill well No. 1 on lot No. 19 must be revoked, because it will be absolutely unjust and unfair that the owner or lessee of a land protected by a legal title should be obliged to bring an expensive action before the tribunals to maintain their rights harmed by a private person in virtue of a wrong manifestation made before this department.

In view of the foregoing, and when the certified copy of this escritura mentioned in this application is filed, I beg you, Mr. Secretary, to revoke the permit granted to Mrs. Isabel Hernandez vda. de Barrera to drill well No. 1, lot No. 19, before 21, of Potrero de la Isleta, which is owned by the company which I represent, is the justice which I demand.

RAFAEL PARDO.

MEXICO, *December 28, 1918.*

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INVESTIGATION OF MEXICAN AFFAIRS.

SATURDAY, SEPTEMBER 20, 1919.

UNITED STATES SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON FOREIGN RELATIONS,
Washington D. C.

The subcommittee met, pursuant to adjournment, at 11.30 o'clock a. m. in Room 201, Senate Office Building, Senator Albert B. Fall presiding.

Present: Senators Fall (chairman) and Brandegee.

The CHAIRMAN. The committee has a request to make of the representatives of the press here, and that is that no item be sent out with reference to the name of the gentleman who appeared before the committee in executive session this morning. I will explain to you that just the giving of the name might possibly connect up some people now in Mexico so as to endanger their lives.

Mr. Williams, will you be sworn?

TESTIMONY OF IRA JEWELL WILLIAMS.

(The witness was duly sworn by the chairman.)

The CHAIRMAN. Will you give your name, residence, and occupation?

Mr. WILLIAMS. Ira Jewell Williams; residence, 8203 St. Martins Lane, Chestnut Hill; business address, 1421 Chestnut Street, Philadelphia.

The CHAIRMAN. What is your occupation?

Mr. WILLIAMS. I am a member of the Philadelphia bar, member of the firm of Brown & Williams, formerly Simpson, Brown & Williams, composed at that time of Alex Simpson, jr., now a justice of the supreme court of Pennsylvania; Hon. Francis Shunk Brown, formerly attorney general of Pennsylvania.

The CHAIRMAN. In your professional capacity or otherwise, Mr. Williams, have you secured information with reference to Mexico or Mexican affairs, relating to any particular matters or subjects in general which are under investigation by this committee?

Mr. WILLIAMS. In 1918 I was elected president of the Panuco-Boston Oil Co., and shortly afterwards my attention was called to the new constitution of Carranza containing a number of radical and confiscatory features, especially article 27.

May I say, Mr. Chairman, that it should be clearly understood that I appear in answer to the exigency of a subpoena?

The CHAIRMAN. Certainly.

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Mr. WILLIAMS. And that I am not appearing voluntarily, as anything that I say here will doubtless be taken against us in Mexico.

The CHAIRMAN. Certainly; that is understood. You are here in answer to a summons.

Mr. WILLIAMS. I might say I have here before me a telegram from our counsel in Mexico City, under date of September 6:

I had been promised permit covering construction in general, but oil department again sore account recent representations to State Department, Washington.

That telegram related to permits for construction work of the Atlantica Compania, one of the companies I represent, and our only representations to the State Department had to do not with relation to the delay in granting such permit but to the fact that our pay roll of $10,000 had been stolen, and to the additional fact we were not granted drilling permits because of our refusal to acquiesce in article 27.

On the making of the Carranza decree of February 19, 1918—I may say that all the decrees pursuant to the constitution are embodied in a printed book issued by the Association of Oil Producers in Mexico, a copy of which I will file with the committee.

The CHAIRMAN. Very well, sir.

(The book was thereupon filed and marked "Williams's Exhibit No. 1").

Mr. WILLIAMS. On the making of the Carranza decree of February 19, 1918, providing that all petroleum properties must be manifested and that upon manifesting a preferential right to denounce would be obtained, a meeting was called at New York for the purpose of protecting the rights of Americans interested in petroleum properties. I attended such meetings from time to time.

The State Department on April 6, 1918, made a solemn protest against the violation of legitimately acquired private property rights in Mexico.

At the meetings held in New York it was the unanimous decision of those present that, as patriotic Americans and as self-respecting citizens, they could take no step other than to decline to acquiesce in those decrees.

On August 12, 1918, a modifying decree was issued providing that no manifestations need be made in the case of developed oil companies but the Government must be paid a rental of five pesos in addition to the royalty or share of the petroleum produced. By paying these rentals and royalties, one obtained a preferential right to execute a contract, the terms of which were not specified. The nonpayment of the rentals and royalties resulted in absolute loss of the property.

In his message to the Mexican Congress of 1918, Carranza urged the adoption of a petroleum law to "regulate" article 27 of the constitution.

Such a lengthy law was introduced but Congress adjourned without passing it.

Great Britain, France, and the Netherlands protested against the proposed confiscation.

The attitude of the petroleum men, while the war was on, was that they could not as patriotic Americans take any steps which

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would acquiesce in the claim that the petroleum belonged to the Mexican nation and thereby endanger the supply of fuel to the allied forces.

Their attitude at all times has been that in good faith, in reliance upon the Mexican constitution and Mexican laws, they acquired properties which were legally theirs, either by purchase of the fee or by contract with private owners on a royalty basis, and that to attempt to deprive them of such properties was nothing but legalized robbery.

The present situation with regard to the Atlantica Compania Mexicana Productora y Refinadora de Petroleo—I always have to refer to the words in order to get it straight—is that their two leasehold properties, both taken from private Mexican owners, for which they paid large sums of money, have been denounced by others under article 27 and under the various Carranza decrees.

In order to exhaust our remedies under local law as required, as we understand, by international law, we have filed amparos and protests against the allowance of these denouncements. Our protests having been denied we have filed amparos in each case and have proceeded in a legal way in an effort to obtain an adjudication that our property could not be confiscated in this manner.

Our applications for permits to drill on our own leased properties have been refused solely on the ground that we had not manifested the leases in accordance with these decrees, so that we are in the position that we can not drill on our own properties and that those who have denounced properties may be able to drill unless the decision on the amparos should be favorable or there should be other relief.

When the matter first came to my notice I was shocked and horrified to find that owing to the fact that the Mexican censorship on news coming out of Mexico and the embargo placed by the State Department on the publication in this country of news from Mexico, the American public was practically in ignorance as to the true state of affairs in Mexico.

At any rate, as we see it, under the Mexican censorship nothing was allowed to come out of Mexico except that which was favorable to Gen. Carranza. The Associated Press and the American newspapers, acting patriotically on request from the State Department, refrained from publishing Mexican news which would tend to stir up feeling in America and precipitate trouble at a time when we were at death grips with Germany.

It was well understood that the lid was on Mexico. I made personal efforts to obtain the publication of the true facts relating to the petroleum question and was refused on this ground. Meantime all sorts of statements were emanating from Mexico City. From time to time the statement was made that there was no confiscation, that we were refusing to pay taxes, when the only thing we were refusing to pay were rentals and royalties, the payment of which would be an acquiescence in the decree and might deprive us of our rights under both municipal and national law.

The press, because the lid was on, would not publish even simple statements of fact relating to the provisions of article 27, the Carranza decrees, and the necessary effect of same. Meantime all sorts

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of statements were emanating from Mexico City. Assurances were given again and again that there had been no confiscation and that there would be no confiscation.

To these statements we attempted to make reply through the newspapers, setting forth the exact facts.

Then the motives of the American petroleum men were assailed. It was charged that they were anti-Carranzistas and interventionists, eager to bring on war with Mexico for their own private advantage. The repeated murders and outrages of Americans in Mexico were not permitted to be published in American papers.

Finally the State Department took the lid off Mexico, and Associated Press dispatches so announced. Since then, and at all times, the only effort of the petroleum men has been to bring to the attention of the American public the true facts as they exist, usually by signed statements made to the newspapers over the name of the association, and in addition by a few pamphlets authoritatively issued and signed by the authors. Our only aim was to attempt to bring to the attention of the American public the fact that the properties were legally, rightfully ours, and that the Mexican Government was attempting to take them away from us.

Each new decree, or each new regulation, was heralded in press dispatches from Mexico City as having furnished the final solution of the problem and afforded entire and exact justice to the petroleum interests. Each of these assertions was false and an effort was made to answer them by denials.

Additional drilling permits were applied for on properties which had been leased prior to May 1, 1917. Such permits were refused solely because manifestations were not filed. That is to say, permits could not be obtained unless we admitted that we did not own the property.

Amparos were filed in the Mexican courts against the refusal of the permits, and in order to test by an overt act the confiscation several of the companies proceeded to drill without permits.

My own company, the Panuco-Boston Oil Co., was notified to stop drilling, and fined 500 pesos. We brought amparo against the fine and the contractors proceeded with the drilling, and thereupon the drilling was stopped by military force.

I have made a chronological statement in detail of the exact facts with respect to what happened in that connection.

In the latter part of February, 1919, application was made to the inspector for a permit to drill. The inspector stated that the oil company would have to define its position fully and definitely regarding the existing decrees. A reply was delivered to the inspector which stated that so far as the physical requirements were concerned the company would comply with all the regulations imposed by the Mexican Government, but that the company did not recognize the power of the Government in any way to change and alter the rights which it possessed by virtue of its lease contracts, and that it did not abide by the decrees which tended to deprive the company of any rights.

Under date of March 20, 1919, the department of industry, commerce, and labor at Mexico issued the following circular concerning the drilling without permission and making confiscation of the wells the penalty therefor:

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This department has had notice that some of the oil companies and private individuals devoted to the oil industry, especially those who refused to make manifestations in accordance with the decree of July 31, 1918, covering taxes on oil lands and oil contracts, have drilled oil wells without the corresponding authorization or permit.

We hereby call the attention of the companies and private individuals interested in the development of deposits of petroleum contained in the subsoil of the national territory that, in accordance with the decree issued in Vera Cruz on the 7th of January, 1915, by the first chief of the Constitutional Army, in charge of the executive power of the nation, and still in force, you are prohibited from drilling wells and doing any work related with the development of oil deposits without previous authorization of the Federal executive being granted through conduct of this department.

We hereby give notice to the companies and private individuals who have drilled oil wells, or who will drill in the future, and in general to those who have done work or will do work related with the petroleum industry that, without having previously obtained due authorization from the Federal executive, through conduct of this department of industry, commerce, and labor, the penalties established in said decree will be applied to infractors of the regulations contained therein. (Constitution and reforms, Mexico, Mar. 20, 1919.)

On April 24, 1919, the local manager of the Panuco-Boston Oil Co. received a communication from the inspector at Tuxpam notifying the company that the department in Mexico City had definitely refused the company's request for a drilling permit.

Drilling was continued and during the latter part of May the company was ordered to cease work immediately and pay a fine of 500 pesos. On May 28 the assistant inspector ordered the work stopped. The man in charge told him that he could not stop without direct authority from the Panuco-Boston, but did shut down for about half an hour until the inspector had left the property, when work was again started.

Letters were written by the Panuco-Boston Oil Co., under date of May 28 and May 29, to the State Department at Washington, D. C., complaining of the action of the Mexican Government in its efforts to enforce its confiscatory petroleum decrees notwithstanding all protests.

A telegraphic reply was received from the State Department at Washington, D. C., on May 31, stating that appropriate telegraphic instructions had been sent to the American Embassy at Mexico City concerning the Panuco-Boston affair.

Under date of June 5, a letter was received from the Acting Secretary of State, acknowledging receipt of a copy of a circular from the petroleum bureau, and a copy of an opinion of Mexican counsel relating thereto. In this letter the Assistant Secretary said:

In reply you are informed that if the Panuco-Boston Oil Co. has good reason to believe that the Mexican Government is proceeding illegally in its dealings with this company, it should apparently take measures to test the matters in the courts of Mexico.

In the early part of June the local manager received notice that the drilling must cease at once or that it would be stopped by force, which orders were said to come from Gen. Carranza. The Acting Secretary of State was advised of this by telegram dated June 9.

On June 10 the drilling was stopped by military force. Gen. Ricardo Gonzalez, accompanied by another army officer and one of the local inspectors, went personally to the leased property and issued peremptory orders that drilling must stop, and that the superintendent and any others connected with the work should be arrested if

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drilling was resumed. The drilling in question was being done under contract.

On June 13 a telegram was sent to the Acting Secretary of State, telling him drilling had been stopped by military force, because the company had not obtained a permit, which permit had been refused solely because of noncompliance with petroleum decrees against which the department had repeatedly protested as confiscatory.

Under date of June 13 a telegram was received from the Acting Secretary of State stating that the American Embassy at Mexico City had been telegraphically instructed to report results of action taken by it.

Under date of June 19 I wrote to the Acting Secretary of State, laying the matter before him, and showing, beyond doubt, that so far as the Mexican authorities were concerned, confiscation has actually taken place, and advising him that, in accordance with the general understanding, local remedies would be exhausted by making application in Mexico City for a revision of the act of the subordinate who stopped the drilling and, if unsuccessful, by bringing amparo proceedings in Mexico City.

A telegram under date of June 21 has been received from the State Department at Washington, reading as follows:

Your telegram June 13 despite this Government's efforts to avert such action department is informed by American Embassy, Mexico City, that President Carranza has issued orders to stop all drilling of oil wells except where permits have been obtained. Department has instructed embassy to protest against such order.

It is apparent that the only reason for the refusal to grant the permit was the failure of the Panuco-Boston Oil Co., by filing its "manifestacion," to acquiesce in the Mexican claim of ownership of its property, yet the secretary of commerce and industry of Mexico issued the following official statement, which was later published in the Mexican Review for August, 1919:

All petroleum enterprises operating in Mexico are compelled by law to file a statement of the properties which they possess, with the object of assessing the amount of taxes which they ought to pay thereon, in accordance with the decree upon this subject promulgated by the Secretary of the Treasury. The companies which claim that the tax in question is confiscatory have refused absolutely to file these statements alluded to, and which would also serve to effectively prove the possession of the lands which figure in their contracts. It is believed that the probable cause for this refusal is that many of these lands have not been legally acquired and the companies fear they may be dispossessed of them on this account. The companies that have not respected the directions of the Secretary of Industry are operating irregularly and for that reason they have been forbidden to pursue their development work, such as the sinking of wells, which is an act of absolute justice, since they have put themselves beyond the law. The Aguila Co. (and others as well) has made the regular manifestation of its properties that is required, accompanied by the documents showing its ownership of the lands which it possesses, but although it has not paid a cent of the taxes imposed, permission to sink new wells has not been denied it, not to exploit those already in production. It can be seen that it is the palpable desire of the petroleum companies that refuse to make the manifestation required to falsify the acts and requirements in order to create a bad impression against the Mexican Government, and hence they unjustly accuse it of inaugurating the work of confiscation of the lands of foreign companies.

All of the companies which comply with the orders of the Government enjoy, as is natural, all the privileges which they may ask, but this does not apply to those which demonstrate hostility.

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Mr. WILLIAMS. Gen. Aguilar, governor of Vera Cruz, came out with a statement that drilling had not been stopped by military force, and I wrote to the New York Times a statement setting forth the facts, including a telegram from the State Department stating that their efforts and protests had been ineffectual. That communication is under date of July 3, 1919, and is signed by me as president of the Panuco-Boston Oil Co. It referred to Gen. Aguilar's statement that drilling had not been stopped and gave the true facts in respect to the matter and quoted a telegram from the State Department, reading as follows:

Your telegram June 13. Despite this Government's efforts to avert such action department is informed by American embassy at Mexico City that President Carranza has issued orders to stop all drilling of oil wells except where permits have been obtained. Department has instructed embassy to protest against such order.

FRANK L. POLK,
Acting Secretary of State.

I might say, Mr. Chairman, that that was not published until I had by telephone obtained the permission of the State Department to do so.

The Mexican authorities attempted to confuse a plain issue of right and wrong by repeated misstatements and baseless charges, which were eagerly adopted by certain papers, notably the socialistic New York Call and the Liberator.

Coming now to some of the pamphlets which have been issued, Mr. Frederick R. Kellogg, the general counsel for the Mexican Petroleum Co., prepared an article for The Nation of October 5, 1918, called "The Mexican oil problem."

So far as the facts stated therein are within my knowledge they are exactly accurate, and so far as they are matter of information I believe it to contain the exact truth and nothing else. This little pamphlet was printed for publication among the oil companies.

May I file a copy with the committee?

The CHAIRMAN. If you please.

(The pamphlet was filed with the committee and marked "Williams Exhibit No. 2.")

Mr. WILLIAMS. In answer to an attempted justification or condonation of petroleum confiscation in Mexico I published one or two articles in The Nation, which published at the same time an answer prepared by the original author, and when I wrote a rejoinder The Nation declined to publish it.

The Nation afterwards, without further inquiry from me or effort to permit me to reply, attacked me as disingenuous because, as I understand it, I had not stated that I was interested as president of the Panuco-Boston Oil Co.

I assumed that they were familiar with who I was before they would ever publish the article, and they could easily have obtained the exact information from Who's Who, or elsewhere.

When the Mexican Government filed their answers to the amparo proceedings brought by the various oil companies Judge Amos L. Beaty, general counsel of The Texas Co., was asked to examine the answer and to make such comments as he deemed proper on that part of the answer which attempted to invoke principles of American law and American decisions as tending to support the right of the Mexican Government to confiscate the petroleum properties of Americans.

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Judge Beaty prepared such a document and it was subsequently printed for distribution among the oil companies and otherwise. I file a copy with the committee.

(The pamphlet was thereupon filed with the committee, marked "Williams Exhibit No. 3.")

Mr. WILLIAMS. For the Journal of the American Bar Association of January, 1919, I prepared a short article entitled "Confiscation of the property of foreigners under color of a changed constitution," attempting to point out that the Mexican people had no power by reason of a changed constitution to affect the private rights of property of foreigners.

I will filed that with the committee.

(The pamphlet was thereupon filed with the committee, marked "Williams Exhibit No. 4.")

Mr. WILLIAMS. In February, 1919, I was asked to say some words before an organization called Council of Foreign Relations in New York on the subject of "Mexico to-day and to-morrow." I subsequently had the remarks printed for distribution. I will file that.

(The pamphlet was thereupon filed with the committee, marked "Williams Exhibit No. 5.")

In addition, I wrote letters to the newspapers attempting to set forth the same facts as to the attempted confiscation, but many of these letters were not published.

The CHAIRMAN. You are filing one that you prepared now?

Mr. WILLIAMS. Yes, sir; I file the letter of July 3, 1919, printed in the New York Times.

(The letter referred to is as follows:)

To the EDITOR OF THE NEW YORK TIMES:

Gen. Aguilar's statements (it may be through some fault of translation) are flatly contrary to fact. On May 27, 1919, the manager of the Panuco Boston Oil Co., was ordered immediately to cease work on its Panuco well and notified that a fine of 500 pesos had been imposed. On May 28 the assistant inspector for the district called at our lease and ordered the work stopped. Our superintendent informed him that he could not stop without direct authority from the company. If the work was stopped by force before we were able to cement, there would be a strong likelihood that the hole would be lost by caving. It was stated that the orders to stop drilling by military force were issued by Gen. Carranza himself.

The United States State Department was kept fully advised as to developments, and we were informed that protests were made against the confiscatory action of the Mexican Government. On June 10 the Carrancista soldiers came to the lease and stopped drilling, ordering arrest in case the drilling was resumed. I have received the following telegram from our State Department:

"Your telegram June 13, despite the Government's efforts to avert such action department is informed by American Embassy, Mexico City, that President Carranza has issued orders to stop all drilling of oil wells except where permits have been obtained. Department has instructed embassy to protest against such order.

"FRANK L. POLK,
"*Assistant Secretary of State.*"

In view of the fact that Gen. Aguilar is in direct control of the Carranza forces in the State of Vera Cruz it is impossible to believe that he is not familiar with the actual status in respect of Carranza's orders and the stopping of drilling by military forces.

In a few words, the exact situation is that by a military decree of 1915 a drilling permit was required. Subsequently to the adoption at Queretaro of the Carranza constitution of 1917, at a time when a large part of Mexico was in arms against Carranza. it was declared that the nation had direct dominion

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over petroleum, contrary to the prior law under which the right to exploit petroleum belonged to the owner of the soil. Numerous attempts have been made to eliminate any question of international right by forcing the American lessees of privately owned lands to acquiesce in the confiscation of their rights. The latest move adopted has been to refuse a permit unless there is compliance with the petroleum decrees, compliance with which would mean abandonment of our rights.

The attempt was made first during the height of our war with Germany, in the obvious effort to embarrass and hamper the Allies and to aid the Central Powers. So long as the paper constitution and the paper decrees were not carried out by force and the companies were permitted to remain in possession and control of their properties the American State Department apparently were of the opinion that no overt act of confiscation had been committed. Now, Americans holding valid oil leases entitling them to drill are prevented from drilling by force of arms solely for the reason that they will not acquiesce in the confiscation of their leases. And Gen. Aguilar, son-in-law of Gen. Carranza, assures the American public, through the columns of your paper (*a*) that President Carranza has issued no such orders, and (*b*) that no drilling has been stopped by military force.

IRA JEWELL WILLIAMS,
President Panuco Boston Oil Co.

PHILADELPHIA, *July 3, 1919.*

Mr. WILLIAMS. Perhaps the most important document which was prepared by the association was this large document called The Mexican Oil Question. It had two forms or editions, the same subject matter being differently arranged, as the thought was with a more convenient method of arrangement.

I will furnish the committee with both forms. In one the documents are attached as exhibits; in the other the narration is chronological with the documents interspersed in the text.

(The pamphlet was thereupon filed with the committee marked "Williams Exhibit No. 6.")

Mr. WILLIAMS. On June 26, 1919, I made a short speech before the Latin American division of the Missionary Centenary of the Methodist Episcopal Church at Columbus, Ohio, entitled "Our duty in Mexico." This speech I have had printed and it has not been distributed. I believe it to contain exact facts, and I sincerely believe the deductions which are contained in it.

The CHAIRMAN. You may file it.

(The pamphlet was thereupon filed with the committee marked "Williams Exhibit No. 8.")

Mr. WILLIAMS. I may say that no misstatement or incorrect statement has been made at any time, to my knowledge, by the American petroleum men in respect to the Mexican situation and their difficulties there. What they have done has been solely to try to get before the American public the true facts with regard to what has occurred.

Of late a careful record has been kept of the various outrages, murders, assaults, and robberies. During the war there were times when it seemed almost impossible to keep the men in the oil fields. They were unarmed. Carranza refused to permit them to be armed, and they were exposed to attack and murderous assault by any Mexicans having arms. If it had not been for their patriotism and bravery, the supply of oil from Mexico would have ceased. Eleven of them made the supreme sacrifice in a single year, and those who died never had a "sporting chance."

The robberies of pay rolls and the murder of paymasters became so frequent that we asked the Mexican Government for the privilege

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of using aeroplanes for the purpose of transporting the pay rolls. This was refused.

Mr. Chairman, the fact which struck me in connection with my whole relation with the matter as perhaps of the greatest importance and interest is, that, while there appeared to be authentic records of the murder of perhaps 500 Americans in Mexico within the last nine years, I have been unable to obtain any authentic record of the murder of a single German in Mexico.

I have heard rumors of the murder of four Germans which I have tried to trace down, and the fact has been denied. I may be inaccurate at to the number.

The CHAIRMAN. Those rumors were concerning the murder in the early days of the revolution of Germans at Panuco?

Mr. WILLIAMS. I believe that was it.

The CHAIRMAN. A demand being made on the Madero government for reparation by the German Government.

Mr. WILLIAMS. And afterwards, I believe, there were executions—the rumor was that there were executions in connection with it.

The CHAIRMAN. I never heard of that.

Mr. WILLIAMS. But I was unable, Mr. Chairman, to get any satisfactory verification in connection with it.

None of our employees have been murdered, but some of them have witnessed murders. On July 24, 1919, I received from Mexico a statement signed by eyewitnesses of the murder of an American named Le Roy Moye, on July 1, 1919, at the camp of the Mexican Gulf Co. It seems to be a somewhat typical instance, and if the committee is interested, I will give the facts. They are very brief.

The CHAIRMAN. We would be glad to have them.

Mr. WILLIAMS. On the evening of July 1, last, an American by the name of Le Roy Moye was killed by Mexicans at the camp of the Mexican Gulf Co. An employee of La Atlantica Co. was an eyewitness to the affair. The band of Mexicans, composed of eight armed men, arrived at the Cortez camp about 7 o'clock and demanded 20,000 pesos, and threatened to kill an American by the name of Sweeney, superintendent of the camp, if he did not produce it immediately. In an effort to get the money and save his life, as well as the lives of the other two in the camp, Sweeney went with the Mexicans to the Mexican Gulf camp. There he left the Mexicans under pretense of going to his employers to get the money demanded. The Mexicans threatened to shoot Ibarra because Sweeney did not come back with the money. They beat him to the floor and were about to shoot him. Le Roy Moye, an American present, protested and interfered. Thereupon the Mexicans immediately shot and killed Le Roy Moye. The bandits then made Ibarra lead them back to Cortez camp, threatening him along the line. Upon arriving at the Cortez camp they robbed it of everything available and left hurriedly.

I have before me a letter from a British engineer dated July 19, 1919, telling of his recent experiences in Mexico. Being obliged to declare his effects at the customhouse, he was held up by bandits in the Tamiahua Canal, between the Panuco River and the lagoon; their Mexican assailants asked for the English engineer's suitcase, describing it. There was ample time to have reached the bank of

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the canal from the customhouse and intercepted the launch, whose course was roundabout. The engineer says:

The whole circumstances of the robbing confirm the views held locally that the bandits are in league with the customs officials.

And again:

The conditions up country are very unsafe. At any time the attitude of troops toward travelers is dependent on the momentary whims of an officer commanding an undisciplined mob who revel in bloodshed and brutality. Any action can be construed as unfriendly to one side or the other if a quarrel is sought, and the slightest obstruction to wholesale requisitions is resented. Carrancista patrols usually shoot at sight on the less frequented roads, so that one is always subject to danger when away from well-known settlements. We were simply fortunate in evading drunken stragglers or especially malicious units who take a pleasure in humiliating an unarmed interloper whose government they know will extend him no protection.

Fearing reprisals, the engineer, a very distinguished gentleman, desires his name to be withheld.

On Wednesday, July 16, 1919, at about 3 o'clock p. m., the pay roll of La Atlantica Compania was robbed by six armed Mexicans of 11,159.74 pesos in gold and silver Mexican coins, from its plant at Guayabalillo.

In order to transport pay rolls we are obliged to give information in advance to the Mexican authorities, and I am informed there have been instances in which the least fractional currency of the amount of the pay roll has been demanded by bandits who have held up the paymasters.

The Mexican Government recently, in a communication relative to this matter, has suggested that the paymasters may be in collusion with the bandits, to which a reply has been made by the association, through the State Department, that our paymasters are tried, true, respected, responsible men, and that such an accusation is wrong to the living and a slur upon the dead.

In November of 1918, La Atlantica Compania was obliged to deposit 5,000 pesos with the customs at Tampico. This sum should have been returned to the company, but was not on the plea that it had been stolen. We have made every effort since to obtain the return of the money. At one time, my understanding is, that the amount was ordered paid to us, but subsequently the order was canceled, and we have never been paid. We recently received word—day before yesterday I learned of the last robbery in the oil regions—that of the Aguilar Co. on September 6, of 72,000 pesos Mexican. This occurred in territory supposed to be under the control of Carranza, 2 kilometers from Maranjos, that being a Carranza garrison point.

I assume, Mr. Chairman, it will be unnecessary for me to give any details. These dates and facts in regard to the stoppage of drilling I need not give. I have given the substance of it and the facts that the military came upon our property and actually stopped the work being done by contractors, and then gave orders that if anyone went ahead with such drilling they would be arrested.

The CHAIRMAN. The military referred to are the Carranza military, of course?

Mr. WILLIAMS. The Carranza military; it being stated that it was done under the secret orders of Gen. Carranza himself. This was

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done, although if the work was stopped by force before we were able to cement there would be a strong likelihood that the hole would be lost by caving.

Now, I think the facts are as stated, Mr. Chairman. The Mexican authorities have issued an apparently official statement, which was published in the Mexican Review, the organ of the Mexican Government, for August 19, 1919.

The CHAIRMAN. The Mexican Review is also called La Revista Mexicana?

Mr. WILLIAMS. Yes, sir.

The CHAIRMAN. Published by Mr. Weeks?

Mr. WILLIAMS. Mr. Weeks. I saw this myself in the issue of August 19, 1919, and this is the official statement:

All petroleum enterprises operating in Mexico are compelled by law to file a statement of the properties which they possess, with the object of assessing the amount of taxes which they ought to pay thereon, in accordance with the decree upon this subject promulgated by the secretary of the treasury. The companies which claim that the tax in question is confiscatory have refused absolutely to file these statements alluded to, and which would also serve to effectively prove the possession of the lands which figure in their contracts. It is believed that the probable cause for this refusal is that many of these lands have not been legally acquired, and the companies fear that they may be dispossessed of them on this account. The companies that have not respected the directions of the secretary of industry are operating irregularly, and for that reason they have been forbidden to pursue their development work, such as the sinking of wells, which is an act of absolute justice, since they have put themselves beyond the law. The Aguila Co. (and others as well) has made the regular manifestation of its properties that is required, accompanied by documents showing its ownership of the lands which it possesses, but although it has not paid a cent of taxes imposed permission to sink new wells has not been denied it, nor to exploit those already in production. It can be seen that it is the palpable desire of the petroleum companies that refuse to make the manifestation required to falsify the acts and requirements in order to create a bad impression against the Mexican Government, and hence they unjustly accuse it of inaugurating the work of confiscation of the lands of the foreign companies.

All of the companies which comply with the orders of the Government enjoy, as is natural, all the privilges which they may ask, but this does not apply to those which demonstrate hositility.

Whereas the fact is that by filing the manifestations called for there would be an acquiescence in the confiscatory provisions of article 27 and the Carranza decrees which might deprive us of our rights both under Mexican law and international law.

I prepared a reply setting forth the facts, and while the American newspapers—some of the American newspapers published the official statement, which also appeared in the American Review, I was unable to obtain—I have thus far been unable to obtain—the publication of the reply which contained the exact facts.

The holdings by Americans in petroleum-producing territory in Mexico were obtained from private owners, the rights being either in fee or leasehold. Under the constitution and law as they existed for many years such rights were absolute and indefeasable. By the new constitution of 1917, among other radical measures advocated by Carranza, it was attempted to "nationalize" petroleum.

The CHAIRMAN. Now, right there, prior to the adoption of this constitutionof 1917, were there any decrees issued by Mr. Carranza referring to these oil holdings?

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Mr. WILLIAMS. There was. There was a decree of 1915 issued at a time when, as the chairman will recall from Mexican history, the tenure of Gen. Carranza and his authority were extremely limited, to the effect that no well should be drilled except on a permit being obtained.

The CHAIRMAN. No well on private property or anywhere else?

Mr. WILLIAMS. Whether on private property or elsewhere. It was largely out of the clear sky.

The CHAIRMAN. There was no law on the statute books of Mexico or no constitutional provision at that time for the necessity of obtaining any such permit, was there?

Mr. WILLIAMS. Nothing whatever; and yet the stopping of our drilling by soldiers is based upon that decree of Gen. Carranza of 1915, issued prior to the constitution of May, 1917.

The CHAIRMAN. All right. Pardon my interruption. Go ahead, sir.

Mr. WILLIAMS. Gen. Carranza issued certain decrees affecting to put into effect this confiscatory provision. The United States, as well as Great Britain, France, and the Netherlands, protested against article 27 and the decrees as confiscatory.

Among other things, the decrees called for filing of "manifestaciones" by the companies as a basis for computing "rentals and royalties" on the announced theory that the petroleum by virtues of the new constitution belonged to the nation and not, as previously, to the private owners.

The CHAIRMAN. That is, petroleum upon private lands?

Mr. WILLIAMS. Upon private lands.

The CHAIRMAN. That has no reference to the national lands of Mexico?

Mr. WILLIAMS. None whatever.

The CHAIRMAN. Of course, the oil men, as I understand, naturally recognize the right of the Mexican Government to pass such rules, regulations, orders, or decrees or constitutional provisions as they wish with reference to the national property of Mexico?

Mr. WILLIAMS. Absolutely. All the oil wells, all the producing oil wells, in Mexico are on private lands, either owned in fee by the petroleum companies or under leases from private owners. All antedate the constitution of May 1, 1917.

With practical unanimity the Americans decided that to file manifestaciones in compliance with the decree as showing ownership of their petroleum properties, the decree requiring the manifestaciones as the basis for computing "rentals and royalties," would be an acquiescence in attempted confiscation and would nullify and make ineffective the protest of the American Government against such confiscation and such confiscatory decrees.

The CHAIRMAN. Pardon me just there. This requirement as to the manifestacione is based upon the claim of the Mexican Government that it owns the oil upon private lands?

Mr. WILLIAMS. Absolutely.

The CHAIRMAN. And you fear that if you acquiesce in the demand and file the statements required it would be a recognition of their right to claim the subsoil products or the oil under the privately owned lands?

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Mr. WILLIAMS. That was the view—I believe the practically unanimous view, if not the unanimous view—of the Mexican counsel and also of the American counsel.

The suggestion that the reason for not filing the manifestaciones was a fear of the weakness or invalidity of titles is wholly out of the air. The reason, and the only reason, given by the Mexicans has been that permits were refused because manifestaciones had not been filed. The titles obtained by the Americans in many instances extend back hundreds of years; they are all complete record titles under the Mexican system, and in any event they would be open to attack only by adverse interests, not by the Government.

That the purpose in requiring manifestaciones was in the effort to obtain an acquiescence by the Americans in the confiscatory measures and decrees of Mexico is shown by the following telegram recently received from Mexico City under date of August 5.

Newspapers to-day publish circular authorizing companies which did not manifest to explore and exploit oil under promise to abide by petroleum law when issued by Congress.

In other words, there was an additional regulation issued, the text of which I saw afterwards, to the effect that even if we did not manifest, if we were willing to sign an agreement that we would acquiesce in the petroleum law when it was issued, then they would let us drill on our own property.

The CHAIRMAN. Yes. In other words, so far, these laws to which they appeal are merely presidential decrees, and they have agreed with you that you might avoid the consequences of one of those presidential decrees, provided you would file a written agreement that you would abide by any law to be thereafter enacted by the Congress of Mexico, although that law itself might be in line with the decrees?

Mr. WILLIAMS. Yes.

The CHAIRMAN. And might be in effect, or in words, a claim of title in the Mexican Government to the petroleum.

Mr. WILLIAMS. Yes; we have no possible way of knowing in advance the terms of the proposed law.

I might say, sir, that my understanding is that Congress subsequently did pass an act ratifying Gen. Carranza's—affecting to ratify Gen. Carranza's—proposed decrees, notwithstanding protests had been entered by the United States against such decrees.

The companies have declined to agree in advance to the terms of a petroleum law with the provisions of which they are unfamiliar. The new circular, however, demonstrates the purpose and intent of Mexico to be, at all hazards, to attempt to obtain the acquiescence of the Americans in the confiscatory plan in the proposed confiscation. The circular does not require a manifestacione, but contemplates drilling permits provided we will agree to the new law when enacted. Against such a law as confiscatory, the American and other Governments have unanimously protested. To agree to such a law would be to make such protest valueless and to deprive the United States of the great advantages which flow from control of petroleum by Americans. The properties were ours prior to the new "constitution," and will continue to be ours in equity and good conscience and international law unless, perhaps, we can be forced to admit that they are not our properties.

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Recently, Mr. Chairman, the matter has been brought to my attention in connection with men going into Mexico for the purpose of performing services there; the vice consuls have refused to visé the passports to Tampico unless the applicant would sign the following form——

The CHAIRMAN. We have that, I may say, Mr. Williams, in the record, and we also have in the record a letter to one of those applicants from the State Department of this Government.

Mr. WILLIAMS. Yes, sir. I have a telegram here.

The CHAIRMAN. We would be glad to have that.

Mr. WILLIAMS. It is perhaps a little different. In reply to an inquiry of the State Department on this subject, I received the following telegram:

Replying to your telegram September 4 and confirmation same date requesting advice of department as to signing affidavit required by Mexican vice consul as prerequisite to visaing passport American citizen setting forth that applicant goes outside of Tampico at his own risk, you are advised that there appears to be no treaty between the United States and Mexico bearing on case, and you are referred to generally accepted rule international law that every sovereign nation has power to forbid entrance of foreigners within its dominions, or to admit them only on such occasions and under such conditions as it may see fit to prescribe.

WILLIAM PHILLIPS,
Acting Secretary of State.

The CHAIRMAN. What was the date of that telegram?

Mr. WILLIAMS. September 12, 1919.

I have here, sir, a clipping which I noticed coming down this morning, which is dated Washington, September 19:

On being advised officially to-day that the Mexican Government had instructed its consuls to refuse to visé passports of American citizens going to certain parts of Mexico unless the Americans waived the responsibility of the Mexican Government for any injury, the Department of State telegraphed to the American consulate at Tampico that any such waiver will not operate in the slightest to interfere with the obligation of the United States to protect its citizens, and those complying with the requirement will not lose the protection of this Government as to rights to which they are entitled under international law.

Anyway, the situation of our companies, the Panuco-Boston Oil Co. and the Atlantica Compania, is that the Panuco-Boston Oil Co., because it has failed to acquiesce in the decrees, which we regard as confiscatory, has had its drilling stopped by soldiers and——

The CHAIRMAN. That is, Carranza soldiers?

Mr. WILLIAMS. Carranza soldiers; and the leased properties of the Atlantica Compania have been denounced under the decrees and we have been refused permits to drill because we have failed to acquiesce in the decrees, and, incidentally, our construction work on the refinery and wharf, etc., is stopped because the department has thus far failed to give us a permit to go on with construction work, this permit not being related in any direct way to any acquiescence in the petroleum decrees.

The CHAIRMAN. That is, the Mexican department, you mean?

Mr. WILLIAMS. Yes, sir.

The CHAIRMAN. You say that the work which you had commenced was stopped. When did you commence the work?

Mr. WILLIAMS. We commenced the work under a so-called concession obtained from the proper departments and viséd by the

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proper officials and did the preparatory work in accordance with the well-recognized method of doing the preparatory work.

The CHAIRMAN. Do you know whether your plans on that work have been approved by the Mexican Government?

Mr. WILLIAMS. My understanding is that they have been informally approved by the local people, but because we have not received the formal approval of the officials in Mexico City we have been obliged to hold up the work.

The full situation as to that is in a copy of a letter which I have here and to which the committee may refer if it so desires.

I might say that our property in Mexico, La Atlantica Compania, is located in Maca Rodonda San Nicholas Isla del Idolo, in Tamiahua Lagoon.

There is a map showing the location of the property—1,250 acres.

The committee may be interested in one passage from one of the decisions of the courts in the Ampora proceedings. Doubtless you have before you the entire records.

> * * * although it is true that this precept establishes a transcendental modification in the private-property régime, it is also true that constitutions have such right because they are based on the greater social and political welfare, regardless of the prejudice which a small proportion of private property may suffer on that account.

Which, translated into our point of view, is that by means of a new constitution they may rob foreigners, provided that the particular new government which is set up becomes the recipient of the stolen property.

The CHAIRMAN. Have you made any investigations as to the methods of the adoption of this new constitution?

Mr. WILLIAMS. I would only know of that from hearsay, sir.

The CHAIRMAN. You do not know in actual delegates how many States were represented in the constitutional convention, or how many delegates were elected, or whether there were any instructions as to the elective franchise?

Mr. WILLIAMS. My information is that only those supporting Carranza were permitted to join in the convention, and the convention was held at a time when a very large part of Mexico was not under the control of Gen. Carranza.

As showing the attitude of one department in connection with the drilling of our well at Panuco and the fine of 500 pesos which was imposed, when we appealed to the department for modification of the order imposing the fine, there being no law or other regulation authorizing the imposition of such a fine, the department replied:

> You are instructed that this department considers your attitude in your position as agent of the Panuco-Boston Oil Co. in not accepting the provisions and orders of the Federal executives as an act of rebellion against the laws of Mexico and as a disobedience of the orders of this department and as a lack of respect for the institutions and authorities of this country.

The CHAIRMAN. Who is that signed by?

Mr. WILLIAMS. It comes from the department of industry, commerce, and labor, division of petroleum No. 2277. It is apparently signed "The secretary in charge of the office," the name not being given. "Constitution and reforms. Mexico, June 26, 1919." The name is not given, sir.

I may say, sir, in reference to testimony of Dr. Inman and his riot call, that a letter was received by Mr. Chester O. Swain, 26 Broad-

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way, New York, signed by Mr. Robert E. Speer, relative to the Inman statement and to his letter—this was under date of September 6, 1919—and to this letter Mr. Walker and I, on behalf of the Association of Producers of Petroleum in Mexico, replied under date of September 18, 1919, setting forth the attitude of the petroleum association. The correspondence is only important for that purpose. Shall I hand it to you?

The answer to the letter, Mr. Chairman, the important part, is a reply to Mr. Speer's questions, which he asks:

I should be very glad, indeed, to have any printed information or published statements of the two associations, and should be glad also to know whether in reply to any inquiries that might be made it would be correct to say—

1. That the Association of American Producers of Oil in Mexico and the National Association for the Protection of American Rights in Mexico are not carrying on any propaganda favorable to intervention by the United States in Mexico; and

2. That these associations are opposed to military intervention by the United States and believe that the influence and help of the United States, so greatly needed in Mexico, should be extended in pacific ways.

To which our reply was:

In answer to your inquiries as to whether this association is carrying on any propaganda favorable to intervention by the United States in Mexico, we answer no. This association has published certain documents setting forth the facts relative to the present situation in Mexico, a perusal of which will convince you of their accuracy and sincerity. We defy Dr. Inman or any other of our calumniators to show either any false statement or any appeal for armed intervention in any of these publications.

In reply to your inquiry as to whether this association is opposed to military intervention by the United States and believes that the influence and help of the United States so greatly needed in Mexico should be extended in pacific ways, we answer yes. We call your attention to the fact that Señor Carranza and his faction have had the influence and help of the administration of President Wilson ever since they raised the banner of revolt against Huerta. The sympathy of President Wilson has been expressed in every speech that he has made referring to the Mexican question. Carranza is in authority in Mexico by reason of this help and influence. This help and influence should be continued as before and additionally in the way suggested to Mr. Inman in a letter written to him by this association; that is, for friends of President Carranza to advise him to avoid any pretext for military intervention by such a course of conduct as will afford no reason therefor. We believe, as you do, that if Mexico properly protects foreign citizens and respects their rights, military intervention can not possibly take place.

If Dr. Inman is sincere in his desire to avoid armed intervention in Mexico he will cease to villify Americans suffering from the misfortune of being engaged in business in Mexico and will cooperate with them to see that no reason for armed intervention shall exist.

That correspondence took place, Mr. Chairman, in consequence of certain other letters that I have written a reply to, one of which, by Dr. Inman, I believe, is on the record, and perhaps it would be proper, therefore, for me to read one other letter, and then I have finished.

AUGUST 13, 1919.

To the COMMITTEE OF LATIN AMERICAN INTERCHURCH MOVEMENT,
25 Madison Avenue, New York City.

DEAR SIRS: I beg to inclose herewith copy of a letter written to Mr. A. W. Halsey, secretary of the board of foreign missions of the Presbyterian Church in the United States, 156 Fifth Avenue, New York City, on the subject of the recent statement issued by Mr. S. G. Inman, in which he makes grave charges against the association of producers of petroleum in Mexico, charging, inferentially, that the hearings in Congress have been unfair; that the oil men are

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not acting merely to protect their properties in Tampico, but, having found that Mexico is full of oil, "they want the United States to get a hold of Mexico so that they can obtain additional oil properties"; that "they admit that Carranza so far has not confiscated their properties and has promised not to do so." Further, inferentially, that a raid by Villa or other bandits may be "pulled off," as has already been done. Also, that the greatest part of what the papers now publish is absolutely untrue relative to Carranza's determination to confiscate the oil properties, etc.

These statements are false and defamatory, and I can not believe that they have been made by the authority of the board of foreign missions without any opportunity to those against whom the crimes are charged to appear and state their side of the case.

The fact is that the constitution of Mexico, adopted at Carranza's behest, does confiscate the properties of Americans; hundreds of innocent American lives have been lost in Mexico within the last nine years, and our State Department and the British, French, and Dutch Governments have protested again and again against these murders and confiscation. The State Department of the United States is wholly familiar with the attitude and doings of the American petroleum men. Confiscation has recently been consummated by refusal of permits to drill on our own properties and the stopping of drilling by military force.

And my letter to Dr. Halsey reads as follows:

I am indebted to you for your kind letter of the 12th instant. Since writing you I have received through other sources what purports to be a copy of Mr. Inman's statement. I regret to state that I find it not only defamatory and libelous, but false and misleading in many particulars. For several years I have been much interested in Mexico, of late acting for the Panuco-Boston Oil Co. and La Atlantica Compania. I have attended substantially all the meetings of the Association of Producers of Petroleum in Mexico, and most of the meetings of the executive committee and committee on organization of that body. I am shocked and distressed to find that any one would be guilty of the sort of statement and comment which is contained in Mr. Inman's statement. While the statement has been signed by Mr. Inman himself, it contains the remark that further information may be obtained from "our office." Does this mean that the board of foreign missions has accepted, indorsed, and made itself responsible for Mr. Inman's statement? If so, will you please send me the names of the gentlemen who are responsible.

"The statement will have two effects. First, it will wrongfully prejudice the cause of Americans many of whom have risked their lives and all of whom have risked their property in order to further the interest of America, and during the recent war the cause of the Allies. Secondly, it will further endanger the safety of Americans in Mexico by baselessly stirring up hatred for Americans."

Perhaps I may be permitted to file with the committee later a copy of my letter to Dr. Inman in reply to his.

The CHAIRMAN. Very well, sir. Mr. Williams, have you ever had any talk with the President of the United States about matters in Mexico?

Mr. WILLIAMS. No, sir; I have not.

The CHAIRMAN. In your discussions with the oil association of which you are a member, have you ever had any indication from any of the other members that they have ever talked with the President of the United States about it?

Mr. WILLIAMS. I do not recall having heard anything of the sort, sir.

The CHAIRMAN. I was wondering to whom the President of the United States referred in his speech at Helena, Mont., on September 12, as it is published in the public press, when he branched off apparently from the general subject and used the following language as reported: "I learned what I know about Mexico, which is not as much as I should desire, by hearing a large number of liars tell me

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all about it. At first I was very much confused because the narratives did not tally, and then one day when I had a lucid interval it occurred to me that it was because what was told was not true." You do not plead guilty of being one of those from whom the President has obtained his information?

Mr. WILLIAMS. So far as I know, sir, none of the petroleum men have had any direct communications with President Wilson.

The CHAIRMAN. I think I recall about four years ago the President in some other speech used the same language, except, if my memory serves me right, he did not use this language in speaking about his information about Mexico, "which is not as much as I should desire," but otherwise I think he used the same language four years ago.

Mr. WILLIAMS. Mr. Chairman, I noticed this morning that Emma Goldman and Alexander Berkman, having served their terms, are about to be permitted to leave their place of incarceration. I was reminded of a remark of Mr. Burges in 1917 Journal of the American Bar Association, page 298.

The CHAIRMAN. William Burges?

Mr. WILLIAMS. I did not get his first name, sir.

I have no extraneous evidence to offer that that constitution was written by Emma Goldman and Alexander Berkman, but I fail to find anything in it which, when taken with all the other parts of the instrument, should prove unsatisfactory to either of those militant champions of a liberty unregulated by law.

The CHAIRMAN. Mr. Williams, you spoke of the amparos which you sought, an amparo being in the nature of a combined writ of certiorari, an injunction, and some of the elements of a habeas corpus, possibly. What has become of those cases?

Mr. WILLIAMS. They are now all pending, or almost all pending before the Supreme Court of Mexico.

The CHAIRMAN. Do you know whether recently it was announced that the Supreme Court was going to give its decision, or have the hearing of those amparos within the next day or two?

M. WILLIAMS. Within the last two or three weeks, the exact date I do not recall, word came that the supreme court had decided to hear those amparos immediately.

The CHAIRMAN. Do you know whether they have been heard or whether the hearing has been stopped for any reason?

Mr. WILLIAMS. They have not been heard. The Mexican newspapers, which I see published a communication from Senor Luis Cabrera, the Secretary of the Treasury, asking the court not to hear the amparos immediately, but to postpone the hearing until after congress had acted upon the proposed new petroleum law. The supreme court, as I understand it, appointed three magistrates of their number to formulate the questions embodied in the numerous amparos, divide them into classes, and setting forth the questions and the principles which are involved in the case. I have seen such a statement prepared by the magistrates. The cases have not been further heard, or decided, since then.

The CHAIRMAN. I have a report of a confidential nature to myself, undertaking to recite some recent occurrences in the City of Mexico, bearing upon this particular point, that for that reason I asked you the question. Among other things, this report, from

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a reliable gentleman who was at the time in the city of Mexico, stated that one of the papers telegraphed Senator Fall asking his categorical expression on the subject; that is, intervention, etc. We cabled to the Universal a column of printed matter, which was read into the record yesterday, rather noncommittal in character, but which was taken to indicate a purpose of intervention. The following day the papers voiced their astonishment that on the eve of a foreign invasion the press and people should be so indifferent. On the same day the supreme court called up all the amparos of the oil companies for urgent action and the court agreed to give them a hearing the following day. Congress met in secret session and appointed a commission to meet a similar commission from the American Congress at the border for the purpose of going over the matters of difference between the two Governments in the hope of consolidating them. The following day the minister of the treasury (Luis Cabrera to whom you referred) wrote a letter to the supreme court and the Mexican Congress. In this letter he said there was no occasion for taking such action and requested them to suspend all such actions awaiting instructions from the President.

Mr. WILLIAMS. I am sorry that I have received last night from a source which I know to be very reliable, but which it would not be safe to disclose, two documents, one entitled "Anti-El Paligro" (signed by Alberto Rabez Domingues) and the other a document unsigned and inclosed in the same envelope addressed to the Congress of the United States of North America and the people of that country.

The CHAIRMAN. I do not ask you to say who, but do you know where this last document addressed to the people of this country and to the Congress of the United States emanated?

Mr. WILLIAMS. I know the source from which it was forwarded to this country. It was mailed in an envelope in the United States but there was an inclosure which enabled me to identify the immediate source of the documents.

The CHAIRMAN. Was that from a reliable source?

Mr. WILLIAMS. A source in which I have every confidence. Whether these documents have been published I do not know.

The CHAIRMAN. The Domingues document was published in the City of Mexico in Spanish. That is a Spanish copy you have there?

Mr. WILLIAMS. That is a Spanish copy; yes, sir.

The CHAIRMAN. It has been published in the papers; therefore it has been given publicity.

Mr. WILLIAMS. The other document is in the nature of a protest against certain things. I will hand it to the chairman for whatever it may be worth, if the chairman so desires.

The CHAIRMAN. Thank you. I will have them translated. These will not be placed in the record at this particular time.

Mr. WILLIAMS. They may serve some useful purpose in the investigation.

The CHAIRMAN. They will be received for the use of the committee, and the committee may direct that they be placed in the record later.

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Mr. WILLIAMS. Did you see this clipping from our Public Ledger?

The CHAIRMAN. The Public Ledger of September 8, with reference to the work of this committee?

Mr. WILLIAMS. Yes; with reference to the work of this committee.

The CHAIRMAN. It is very complimentary and the committee appreciates it.

Mr. WILLIAMS. Also a reference to the character of the propaganda carried on in reference to American rights.

The CHAIRMAN. The committee, of course, is aware that it is being criticized in some of the papers in this country and is grateful to others for their commendation of its work so far.

Mr. WILLIAMS. "That the Carranza agents are being shown up in their true light is one of the best things that has come out in Washington for some time."

The CHAIRMAN. The purpose of this committee is, of course, merely to give the facts to the people of the United States, and it will not be deterred in that purpose by any criticism, and it will be encouraged, of course, by fair commendation.

I am informed by one of the representatives of the press who is present that these two Spanish documents which have been handed to the chairman by the witness who has just been testifying have been read to certain members of the press. I would request that the members of the press do not publish any of the contents, or what purports to be the contents of these papers, until a little later. The chairman has not had time to read them.

The committee will be in recess, subject to the call of the chair. For the next week, and possibly a little longer, the sessions of the committee may not be regular because of the necessity that members of the committee should at almost all times hold themselves in readiness to proceed to the Senate floor. We hope to have a meeting of the committee about Tuesday with other witnesses present, but will notify the press and others Monday morning in the event the committee is not called for that day, and at that time will be able to definitely fix a date when the committee will be called. At present we hope to have a meeting on Tuesday, at any rate.

(Whereupon, at 1 o'clock p. m., the subcommittee adjourned subject to the call of the chairman.)

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INVESTIGATION OF MEXICAN AFFAIRS

HEARING

BEFORE A

SUBCOMMITTEE OF THE COMMITTEE ON FOREIGN RELATIONS UNITED STATES SENATE

SIXTY-SIXTH CONGRESS

FIRST SESSION

PURSUANT TO

S. Res. 106

DIRECTING THE COMMITTEE ON FOREIGN RELATIONS TO INVESTIGATE THE MATTER OF OUTRAGES ON CITIZENS OF THE UNITED STATES IN MEXICO

PART 3

Printed for the use of the Committee on Foreign Relations

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INVESTIGATION OF MEXICAN AFFAIRS.

TUESDAY, SEPTEMBER 23, 1919.

UNITED STATES SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON FOREIGN RELATIONS,
Washington, D. C.

The subcommittee met, pursuant to the call of the chairman, at 11.20 o'clock a. m., in room 201, Senate Office Building, Senator Frank B. Brandegee presiding, during the temporary absence of Chairman Fall.

Present: Senators Fall (chairman) and Brandegee.

Senator BRANDEGEE. Is Mr. Lill here?

TESTIMONY OF THOMAS RUSSELL LILL.

(The witness was duly sworn by Senator Brandegee.)

Senator BRANDEGEE. What is your full name?

Mr. LILL. Thomas Russell Lill.

Senator BRANDEGEE. Your residence?

Mr. LILL. New York. My business is in New York. I live in East Orange, N. J.

Senator BRANDEGEE. Where do you vote?

Mr. LILL. East Orange.

Senator BRANDEGEE. What is your occupation?

Mr. LILL. Certified public accountant.

Senator BRANDEGEE. Have you been subpœnaed here before this committee?

Mr. LILL. Yes, sir.

Senator BRANDEGEE. And do you know the subject concerning which you are to testify? I did not subpœna you, and I do not know what you want to say.

Mr. LILL. I do not think the subpœna said.

Senator BRANDEGEE. Do you appear voluntarily?

Mr. LILL. Yes, sir.

Senator BRANDEGEE. I suppose Senator Fall wrote you or requested you to appear?

Mr. LILL. Well, they sent me a subpœna, and I had previous to that communicated through Maj. Jackson.

Senator BRANDEGEE. About what subjects do you want to testify, Mr. Lill?

Mr. LILL. Well, I thought I might be of some service to the committee if I gave a short description of what work I have been doing down there, rather tending to show the progress which the Mexican Government had made toward law and order since May, 1917, to quite a recent date.

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Senator BRANDEGEE. How much time have you spent in Mexico since the date you mentioned—May, 1917?

Mr. LILL. May, 1917? It is over a year and a half, or a year and seven or eight months.

Senator BRANDEGEE. And had you been there before that?

Mr. LILL. No, sir.

Senator BRANDEGEE. So that, I assume, you are only able to testify as to the commercial and financial matters in Mexico since the period you went there; or had you had any familiarity with the subject before you went there?

Mr. LILL. No; I had not before I went there, in the progress of the work there I made studies or had studies made under my direction.

Senator BRANDEGEE. Well, as a public accountant, or a certified public accountant, I believe you called it, are you required to be authorized by the State to be a certified public accountant?

Mr. LILL. Yes; by the State of New Jersey.

Senator BRANDEGEE. Now, you were employed, I assume, by some companies to make investigations?

Mr. LILL. No, sir.

Senator BRANDEGEE. Or, for what purpose did you familiarize yourself with these conditions in Mexico?

Mr. LILL. I held a position down there of chief accountant and acting director of President Carranza's financial and administrative reorganization commission.

Senator BRANDEGEE. You were employed by them?

Mr. LILL. I was employed by the Mexican Government.

Senator BRANDEGEE. Very well. Now proceed to give us as good an idea as you can of the governmental finances and of the general commercial conditions of the country. You can state it in your own way.

Mr. LILL. Thank you. It might be interesting to relate how the work started down there. I went down as chief assistant to Henry Bruere, of New York, former city chamberlain of New York City.

Mr. Bruere took quite an active part, I think, in the conferences over the Pershing expedition at Buffalo, I think they were, and became acquainted with Mr. Cabrera and Mr. Pani. As a result of that Mr. Bruere was invited to go to Mexico City to make a study of the government, and I went with him, owing probably to my knowledge of Spanish.

Senator BRANDEGEE. Invited by whom was he?

Mr. LILL. By Mr. Luis Cabrera and Mr. Pani.

Senator BRANDEGEE. What office did Mr. Cabrera hold at that time?

Mr. LILL. Mr. Cabrera was secretary of hacienda at that time, and Mr. Pani was secretary of commerce, labor, and industry.

We left New York in—or perhaps I had better state before going down, I understand the matter was discussed with President Wilson by Mr. Bruere, and the undertaking was thoroughly approved. Mr. Bruere also had conferences or discussed the matter with Secretary Lane, I think, and Ambassador Fletcher and others up here, and the matter was thoroughly understood and approved. The condition also imposed was that the matter should be approved by President Carranza.

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We left here about the middle of May, 1917, and reached Mexico City along about the 25th, I think, and were installed in the national palace about halfway between Carranza's office and Cabrera's office.

We began making studies first of the secretary of the treasury's office. After that we got into commerce and labor.

As a result of these preliminary studies we recommended that the Mexican Government should reorganize the fiscal system, establish a purchasing agent and various other minor reforms.

Mr. Bruere had to leave along about the end of July or August 1, and I remained there until May of the following year.

A month or so later at our suggestion Mr. Cabrera organized this commission, which consisted of Mr. Cabrera as president, Mr. Pani, secretary of commerce and labor, as vice president, Manuel Rodriquez Gutierrez.

Senator BRANDEGEE. Was there any name given to this commission?

Mr. LILL. Yes, sir.

Senator BRANDEGEE. What was it known by?

Mr. LILL. Well, it was known in Spanish as the commission de reorganizacion administrativa y financiera.

Senator BRANDEGEE. And what would be the English translation of that?

Mr. LILL. The administrative and financial organization commission.

Senator BRANDEGEE. Did it have any official status except as advisory to the Government of Mexico?

Mr. LILL. No; its organization was not provided for by law, but it was a very powerful unit because four or five members of it were members of President Carranzas cabinet.

Senator BRANDEGEE. Well, was it officially recognized by Carranza?

Mr. LILL. Oh, yes, sir. Yes; we have a number of conferences with him and our reports were given to Mr. Carranza for approval.

Senator BRANDEGEE. By whom were you paid?

Mr. LILL. I was paid by the Mexican Government.

Senator BRANDEGEE. Were the recommendations of this commission in printed form, and do they exist now in a permanent form, in a pamphlet or otherwise?

Mr. LILL. Some of the reports were printed, and a great many others were not. They were in typewritten form.

Senator BRANDEGEE. Do you mean they were verbal reports?

Mr. LILL. No; typewritten.

Senator BRANDEGEE. And handed to the Mexican officials in typewritten form?

Mr. LILL. Yes; discussed with the members of the commission, and we had repeated conferences over them, amended them, and finally adopted them—or, they were approved by the commission and they were taken up by the officials.

Senator BRANDEGEE. Very well; proceed.

Mr. LILL. The commission was organized, I think in September, 1917. The proposal of the commission, or the recommendation of the commission for the establishment of a purchasing agent and the establishment of a controller general independent of the treasurer,

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such as has been suggested here in the American Government, was taken up with the Congress by Mr. Cabrera and approved by Congress in December, 1917.

As soon as it appeared that Congress was going to approve these bills I began to work on the laws providing for the organization and defining the powers and duties, and had those ready about the time Congress approved the creation of the department and took them up and had them signed by Mr. Carranza about the middle of January, 1918.

It has frequently been said that the Carranza government was anti-American, and I would like to give here the men we had down there at one time and another. We were very much handicapped with the mass of work and so we secured the services of Francis Oakey as certified public accountant, who had installed the system at Panama and also had been chief accountant in President Taft's administration here.

Then it early appeared that we had to take up the question of currency and taxation and we secured the services of Prof. E. W. Kemmerer, of Princeton University, who had done similar work in the Philippines and whom I knew, also Prof. H. E. Chandler, associate professor of economics, I think, in Columbia University.

Mr. Chandler made a study of taxation. He was obliged to return to the United States and we later secured the services of Dr. Arthur Young, associate professor of economics at Princeton, who made studies of the taxation in the Federal districts and an attempt to define the sources of taxation as between the Federal, State, and municipal units.

Then we had Mr. Samuel Wilson, of the American city bureau on commerce and industry.

We had Mr. Gleason on the purchasing, and a Mr. Munroe on purchasing, so that during all this time, practically for a year, we had from 5 to 10 Americans working right in the national palace in Mexico City.

Mr. LILL. Could I put this in?

Senator BRANDEGEE. What is that?

Mr. LILL. This is Mr. Kemmerer's report.

Senator BRANDEGEE. Well, leave it with the committee on file and if there is anything in it we want to put in the record we will have it done.

Mr. LILL. Mr. Kemmerer's report on the currency was the basis for a later revision of the currency system down there.

The silver went up so high as to practcially send all Mexican currency to the melting pot and we had to reduce the silver content of the coins.

These two reports by Mr. Chandler, a preliminary survey of the Mexican revenue problem and an analysis of the income-tax project, which the officials of Mexico had been considering at that time following the adoption of an income tax in the United States.

Dr. Young prepared this report dealing with the finances of the Federal district, recommending among other things our American system of taxing land, and I believe that that is being—that a great many changes are being made down there in the tax system based upon these reports.

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The law relating to the controller and the address of Mr. Carranza in English, which was translated by the commission at Mr. Cabrera's request, for distribution.

Senator BRANDEGEE. The address of Mr. Carranza on what occasion and before whom?

Mr. LILL. Before congress, his congressional message.

Senator BRANDEGEE. And what year was that?

Mr. LILL. That was in 1917.

Senator BRANDEGEE. Excuse me. Was that in relation to your report?

Mr. LILL. No, sir.

Senator BRANDEGEE. You had not made your report at that time?

Mr. LILL. No; we had not done any work at the time that report had been made.

Senator BRANDEGEE. You had not done any work at what time?

Mr. LILL. At the time that message had been delivered. I think that was at the beginning of congress, in April, 1917.

Senator BRANDEGEE. What topics does that touch on—all Mexican questions?

Mr. LILL. Yes, sir; it takes up a great many Mexican questions and it is remarkable to me for the last paragraph, which possibly might be inserted in the record.

Senator BRANDEGEE. Suppose you read that if you want to call particular attention to it. If you do not happen upon that now, suppose you defer that and let the stenographer leave a blank space or make a note to insert it there when you locate it?

[Extract from President Carranza's message to congress May 2, 1917.]

A revolution that is not prompted by a necessity, the satisfaction of which does not admit extension of time and which does not aspire to vitalize of morality and justice, is merely a crime against the existence of a people.

The first requisite for the existence of a state is order. Order can not prevail where there is no law, or where the law is violated constantly and with impunity. It is law which determines the relations among the members of a nation and serves as the intervening medium between these members. Law fixes the sphere of free action to be exercised by individuals and the limits within which public authority must act so that social functions may not encounter obstacles in their multiple and legitimate manifestations. In a state where a man feels himself strong, simply because he is armed and believes himself able to impose his will over others, where there is no respect for life, liberty, or property of the other members of the social body, there can be neither rights nor morality, which are the main elements of order. Within a state where any representative of authority considers himself capacitated to act as he elects without a brake to control his bursts of anger, without a sentiment impelling him to realize that there are others who deserve respect—and it is precisely for the purpose of compelling the stubborn to respect others and inspire ideas of right to the obstinate and refractory that public authority is necessary—in such a state, I repeat, can exist only anarchy, which is the disordered tyranny of the many; or despotism, which is the tyranny of only one.

Mr. LILL. I would like now to proceed with some of these effects of these various recommendations of ours.

The office of controller general—or, all the accounting of the Government of Mexico, was under the secretary of the treasury, similar to our Government in the United States, which practically means that the secretary of the treasury receives, spends, and audits his own accounts.

After considerable study it seemed to us the best thing to do would be to take the accounting out from under the secretary of the treasury and make it an independent office.

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As I stated, we began organizing along about February of 1918, and we installed a complete new system in the customhouses, the subtreasuries, in the internal-revenue offices, and the subtreasury in Mexico City.

After the system began working, along about April and May, I received telegraphic reports—or the controller received telegraphic reports and daily reports from the collecting officers and disbursing officers all over the Republic. And I want to call your attention to that fact because of the fact it has been stated so repeatedly that the territory was not under Mr. Carranza's control.

From March, April, May, and June, of 1918, we received daily telegraphic reports from every collecting officer in the Republic with the exception, of course, of those offices in Lower California that could not be reached so easily by telegraph. The Government funds in Mexico were collected by officers appointed by Carranza and were disbursed upon orders from the central treasury or were transferred from one office to another or were remitted to Mexico City.

During all of that time I speak of there was only one office that I know of that we did not get reports from or was not in operation; that was up in Moreles, I think, but I am not sure. That was discontinued for the lack of law and order or because it did not pay expenses. It is rather difficult to say how the territory was not under Carranza's control when we were administering the finances and collecting revenues in practically every city in Mexico.

Shortly after we began the organization of this office it appeared that another reform was necessary in order to secure economy in the finances and blue prints were drawn up of a monthly budget and an allotment system. Those were submitted to President Carranza and he approved them for immediate use.

The budget for Mexico in Diaz's time, the last years of Diaz's régime, averaged from 100,000,000 to 110,000,000 pesos a year. The budget at this time, or for the fiscal year ended June 30, 1918, amounted to 177,000,000 pesos exclusive of any charges for the public debt. About that time Congress changed the fiscal year to the calendar year, and the new budget has been prepared amounting to 178,000,000 pesos. That, of course, did not include any charges for the public debt, nor did it include 21,000,000 pesos which were set up for the department of munitions.

Senator BRANDEGEE. When you speak of the budget, do you mean the amount proposed to be collected as necessary or the amount that actually was collected in taxes?

Mr. LILL. No, sir; the budget I speak of is the estimated expenditures of the Government.

Senator BRANDEGEE. When you say it was 178,000,000 pesos at that time, was that amount actually collected?

Mr. LILL. Well, I was just coming to that, Senator.

Senator BRANDEGEE. All right.

Mr. LILL. That was the estimated expenditures of the Government. At that time the revenues of the Government did not equal that sum nor do they equal that sum yet, and it was therefore imperative——

Senator BRANDEGEE. How near did it come to equaling the sum?

Mr. LILL. Well, the revenues at that time, I think, were approximately 11,000,000 pesos a month or 132,000,000 pesos a year.

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Senator BRANDEGEE. Then they were 50,000,000 shy, were they not?

Mr. LILL. They were about 60,000,000 shy, about 5,000,000 pesos a month deficit. As I say, it early became apparent there that some means had to be taken to bring the expenditures within the revenues. This monthly budget, therefore, was adopted, based upon the congressional budget. Each head of a department was required to submit an estimate to President Carranza asking for the money that he needed to run his department for the succeeding month and specifying with more or less detail in that request what he wanted to do with the money. These requests were tabulated until sometime after conference we could see that the proposed expenditures were within the actual revenues and then they were approved, and that budget was set up in the department of control and we had a very real and effective control. When a department head drew checks or drew money up to the amount that he had been allowed, he stopped getting money.

The effect of this procedure was to reduce the budget from a monthly basis of 16,500,000 pesos to approximately 10,500,000 pesos a month, which was somewhere within the revenues.

Senator BRANDEGEE. What was a peso worth then in American money, gold?

Mr. LILL. You mean taking the rate of exchange into consideration or the actual contents?

Senator BRANDEGEE. The intrinsic contents?

Mr. LILL. I think the Mexican gold coin is two-tenths of 1 per cent less than the American.

Senator BRANDEGEE. I mean, how much was a Mexican peso worth in American gold?

Mr. LILL. Fifty cents; that is, intrinsically worth that much.

Senator BRANDEGEE. That is what I mean. How much was it considering the rate of exchange?

Mr. LILL. Well, it varied from—it varied until——

Senator BRANDEGEE. Did it fluctuate——

Mr. LILL. Yes, sir.

Senator BRANDEGEE (continuing). Rapidly and frequently?

Mr. LILL. Well, it fluctuated very frequently. The fluctuations were not very great, but there was a steady rise in the Mexican peso, or a steady decrease in the value of American currency, whichever way you look at it; that is, corresponding more or less with the rise in the price of silver.

Senator BRANDEGEE. For instance, do you happen to remember what was the value of the peso when you went to Mexico and what was its value after you had been there a year and a half?

Mr. LILL. Well, the value of the peso——

Senator BRANDEGEE. We can find out if you do not happen to remember it, of course. It is a matter of record.

Mr. LILL. There are so many different ways of figuring that thing down there. The peso was worth about 52 cents American at the time I went there and it ranged up to 58 cents, as I remember it.

Senator BRANDEGEE. Were those the extreme limits of the range?

Mr. LILL. I think it went to 59 or 60 at one time.

Senator BRANDEGEE. Well, about from 52 to 60?

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Mr. LILL. Yes. Now, that decrease in the American money or increase in the Mexican money did not depend exclusively on the increased price of silver, because the increased price of silver made the Mexican coins so valuable they were smuggled out of the country, which created a great shortage of currency in Mexico and this premium I speak of was due as much to the shortage of currency as to the increased price of silver.

Senator BRANDEGEE. What were the other principal causes for this variation other than the increased cost of silver or the price of silver?

Mr. LILL. There were none that I know of, sir.

Senator BRANDEGEE. I thought you said that was the principal cause but there were others.

Mr. LILL. Well, the price of silver and the shortage in the currency.

Senator BRANDEGEE. What was the increased cost of silver due to other than the decreased production of the mines—the war situation?

Mr. LILL. The war situation. Silver went up, as you remember, from I think 60 until the time we made our first currency investigation, when it was $1.08.

Senator BRANDEGEE. There was a large increase all over the world?

Mr. LILL. Yes, sir. Silver at $1.08 made the Mexican peso worth more as bullion than it was as currency and it practically all went out of existence.

I ought to state probably that the Carranza revolutionary government had issued large quantities of paper currency which depreciated very rapidly up to about November, 1916, I think, when it was not received any longer by the merchants. That situation placed the Mexican Government on a purely metallic currency basis. They had no paper currency and no means of getting anything and what currency they had they had to coin.

Senator BRANDEGEE. Was there a corresponding decrease in the price of commodities when this increase in the value of currency occurred?

Mr. LILL. Well, there was a tremendous—of course, a tremendous increase in the price of commodities when charged in the paper currency, because the paper currency depreciated, and I fancy it took a thousand pesos to buy an article worth 1 peso at the time.

Senator BRANDEGEE. But did the price of currency and the price of commodities rise at the same time there in Mexico?

Mr. LILL. Well, I do not know how to express that exactly, Senator, but with the adoption of the paper currency the commodities were raised in price as expressed in that paper currency to offset the depreciation.

Senator BRANDEGEE. I understood you to say there was no paper currency in circulation.

Mr. LILL. I thought you were speaking of that time. Afterwards, when the metallic currency came in, I think there was—I do not think the price of merchandise in Mexico was increased as a result of that currency reform.

Senator BRANDEGEE. I had supposed the cheaper currency generally made higher prices and the dearer currency made lower prices.

Mr. LILL. Well, that currency in Mexico was not cheap, Senator, and it was hard to get.

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Senator BRANDEGEE. I know, and being very high I should have thought prices would have been low. That is, I should think the more money the peso was worth the more it would buy in the market of commodities.

Mr. LILL. You are not speaking of the paper currency, are you, but the metallic?

Senator BRANDEGEE. I am speaking of the peso. You say bullion was the only thing in circulation there for awhile.

Mr. LILL. Yes.

Senator BRANDEGEE. Well, they bought and sold at that time, and the commodities must have had some ratio of relation to the price of the peso or bullion. If you do not know about that, I will not question you about it.

Mr. LILL. It is slightly out of my field. It is a question of economics.

Senator BRANDEGEE. Just proceed as you want to.

Mr. LILL. But the price of commodities was considerably higher than it is in the United States, and that was due largely to the embargo placed by the United States on the exportation of articles to Mexico.

The CHAIRMAN. What articles were embargoed?

Mr. LILL. I believe practically all foodstuffs were only shipped by permission, and the war trade act restricted traders in Mexico from importing stuff if they were not known to the department.

The CHAIRMAN. Do you mean the blacklist? What other restriction was there upon the traders in Mexico?

Pardon me for interrupting you at this time, Senator.

Senator BRANDEGEE. I have no further line of questions to ask.

The CHAIRMAN. It is right there that I want to find out what foodstuffs were embargoed and what traders in Mexico were refused permission to buy stuff?

Mr. LILL. Of course, the people on the blacklist could not get goods and there seemed to be a general—it was generally stated down there that it was very difficult indeed to get goods from the United States even if you were an American citizen, owing to the shortage of those goods in the United States.

Senator BRANDEGEE. It was not an embargo, was it? It was difficult to get goods here, too, was it not?

Mr. LILL. I do not think I used that word correctly. There was no embargo. That was not the thing I meant.

The CHAIRMAN. Shipments of sugar were restricted, as they were to other countries; shipments of flour in some respects were restricted, as they were to other countries.

Mr. LILL. Corn, ham, and fats.

Well, the adoption of this monthly budget, as I stated, reduced the expenditures of the Government from about 16,500,000 pesos to approximately 10,500,000 pesos a month.

These economies were secured very largely through Mr. Carranza himself. I had a number of conferences with him and he took a great deal of interest in the budget as printed, and was constantly at work with his blue pencil trying to reduce expenditures and, incidentally, to eliminate dishonest officials and trying to get honest ones. An instance I saw there was when he was studying the budget of the department of communications and saw 30 or 40 engineers there, and

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he said, "Are we doing any construction work now?" They said, "No; we haven't any money for it." "Well, we don't need engineers, do we?" They said, "No," and Mr. Carranza drew his pencil around these engineers. That is only an instance of the way Mr. Carranza was operating down there on this spending situation.

At the same time, or along about two or three months later, we organized the department of purchases, which centralized all the purchasing of the Mexican Government in one man or one bureau. Previous to that time practically all purchases had been made by the different bureaus or offices in the Government, and I think there were probably 500 purchasing agents scattered through the offices. That bureau is also now running. The department of munitions was another bureau which was not created at our suggestion, but was an outgrowth of our suggestion to consolidate all the purchasing of the Government in one department. Mr. Carranza thought it would be better to have the military supplies separate from the civil.

I do not know how much of this is of interest, Senator. I would be glad to have any leading questions about anything you want to know.

The CHAIRMAN. Well, you are testifying as to the natural condition of Mexico, as I understand, and your familiarity with it. There will be some questions likely that will suggest themselves to me later and probably as you go along. Just go ahead and make any further statement that you have to make, and then when you conclude with what you think is necessary I will ask you some questions.

Mr. LILL. My last time down there I made quite a complete study of the debt situation down there, and that report is in the press now and will be out in two or three days.

The CHAIRMAN. Well, if you could give us a synopsis of it from what you have there, as shortly as possible, I would be glad to have that now. I do not mean necessarily to itemize it.

Mr. LILL. Well, the debt statement, or the national debt of Mexico, is divided as between the prerevolution period and the post-revolution period. I consider that the prerevolution period ended with June 30, 1911, which was shortly after Limantour and Diaz resigned from office. At that time the Mexican debt was approximately 425,000,000 pesos.

From June 30, 1911, to the end of December, 1918, there was issued by Huerta about 190,000,000 pesos. Now, in that portion of the debt which was issued by the Huerta government a very small proportion of that was issued to pay debts incurred by the Madero administration.

Large quantities of the balance of that—well, the information is very lax regarding where it went to. We know part of it was used to purchase the Mexican National Packing Co., and I think something like 30,000,000 pesos was given to John DeKay to purchase arms abroad. I believe that Mr. DeKay purchased a ship load of arms and kept them waiting in Spain at the outbreak of the European war, and I understand resold them to Belgium, so Mexico never got the arms and is out that much money.

There are various other circumstances connected with the issue of these bonds which makes it very hard to determine whether the present administration should assume payment of those bonds or not. It will have, probably, to be a subject of arbitration.

Up to December——

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The CHAIRMAN. Why should there be any question about it if they were regularly issued? Were these bonds regularly issued or not?

Mr. LILL. I can not tell, Senator. The information regarding those is not obtainable from any source—from government sources. The records for two years down there were practically destroyed or not kept.

The CHAIRMAN. The bonds were issued under authority of the Madero congress, were they not?

Mr. LILL. I think the authority was granted by the Madero congress, but they were not issued until after Madero was killed.

The CHAIRMAN. Has any money been obtained upon the bonds, the actual bonds?

Mr. LILL. Yes, sir; 6,000,000 pounds were sold to the British banks.

The CHAIRMAN. By whom?

Mr. LILL. By the Mexican Government—Huerta.

The CHAIRMAN. Was there any money obtained by the Madero government on the strength of this bond issue?

Mr. LILL. I think not, sir, because the Madero government owed about 42,000,000 pesos and the proceeds of these £6,000,000 which Huerta secured—that was sold at about 90, and he secured something like 50,000,000 pesos after the discount, and 40,000,000 of the 50,000,000 pesos he received were used to pay off the 42,000,000 indebtedness of the Huerta administration.

That seemed to me was a clean-cut transaction.

The CHAIRMAN. He obtained those funds from a deposit of the bonds originally to secure a loan in New York, did he?

Mr. LILL. I think not; I think that was floated in Europe.

The CHAIRMAN. But prior to the flotation in Belgium, France, Great Britain, and the United States, in which J. P. Morgan & Co. took part, there were some of the first issue of these bonds deposited with certain bankers in New York for a loan, were there not?

Mr. LILL. I think prior to that issue, Senator, there was a $20,000,000 loan made by the Madero government, made in New York, which was repaid by the proceeds of these £6,000,000.

The CHAIRMAN. That is what I referred to, and the loan was from Speyer & Co., was it not?

Mr. LILL. I am not sure about that; that is a loan that is out of existence. I have it among my papers somewhere.

The CHAIRMAN. Yes, sir; in anticipation of the sale of these bonds, and they were trying to place the bonds prior to the actual issue of the bonds, and obtained a loan, as I understand, which loan was repaid by Huerta after the placing of these bonds by the syndicate, was it not?

Mr. LILL. Yes.

The CHAIRMAN. I have all the advertising literature sent out in the attempt to place the bonds.

Mr. LILL. That particular bond issue was secured by a mortgage or pledge of all the remaining customs in Mexico. The existing pledge amounted, as you probably know, to 62 per cent of the customs, and this particular issue was guaranteed by a pledge of the remaining 38 per cent of the customs.

The CHAIRMAN. Now, the question in my mind is this: You said that this last bond issue would probably have to be arbitrated because

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there is a dispute as to where the funds went, and what De Kay did with portions of the money, etc. Would the fact that the Government, through its agents, disposed of bonds, and the agents did not account for the proceeds, or in some way the proceeds did not reach the Government, invalidate the bonds or justify the Government in——

Mr. LILL. No; I would not say so, but if there was any fraud attached to the issue it would seem to me the question might probably be raised, and the circumstances surrounding the issue of these bonds before judgment was passed as to whether payments should be made.

The CHAIRMAN. Of course, there might be proper grounds for repudiation of any debt. We have some examples of that to-day, and I am frank to say that in our own country we have some historical examples of the repudiation of State debts.

Mr. LILL. The question was raised about repudiation in connection with the negotiations with the bankers and the Mexican Government distinctly declines to repudiate anything. Now, repudiation contemplates or means that where a man has the means to pay his debts and declines to pay them he repudiates them. The failure to pay a debt when a man has not the means to pay it is not repudiation in any sense of the word.

The CHAIRMAN. Oh, certainly not; but I understood you to refer to probable repudiation, or, in other words, that the legality of the debt was questioned, not the question of their having the money to pay it but of their willingness to pay it.

Mr. LILL. Oh, I question that from what evidence I get of it, and it would not be fair to ask Mexico to pay that entire bond issue, which amounts to £20,000,000, without some investigation to see whether she is liable and whether she should pay it. Part of it I do not think there is any question about. There is another part of it I think there is a very real question about.

The CHAIRMAN. She has passed through the same experience before.

Mr. LILL. Yes; and she has had to pay, and various methods have been used to make her pay since 1823.

The CHAIRMAN. You were speaking of the indebtedness.

Mr. LILL. Yes.

The CHAIRMAN. And you say that it was 425,000,000 pesos approximately when Diaz went out and that Huerta added about 190,000,000 pesos?

Mr. LILL. Yes. And there are 53,000,000 pesos which the present Carranza Government borrowed from the banks of issue, and approximately 25,000,000 pesos more which are due to employees of the Mexican Government for failure to get salaries. That is, only part salaries are being paid in the Government at the present time and the difference between their salary and what they get is to be paid them in bonds.

The CHAIRMAN. Right there, what proportion are they getting?

Mr. LILL. I think they are getting 75 per cent. They were getting 75 per cent when I was down there.

The CHAIRMAN. How is that being paid?

Mr. LILL. In gold and silver. There is no other way of paying it. I think for a month or two there the percentage was decreased to 50 per cent to tide over a stringency, but it later was increased again.

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That same thing, Senator, has been done—well, Diaz started it when he went into office. That is the first thing he did, was to take that means to economize in the government service.

The total obligations of the Mexican Government on December 18, 1918, were 695,000,000 pesos.

The CHAIRMAN. I have seen that calculation made before, but I notice that Luis Cabrera apparently raised the limit very recently. He is the minister of hacienda, is he not?

Mr. LILL. Yes, sir.

The CHAIRMAN. I notice he has recently fixed it in round numbers, as late as August 24, at one billion.

Mr. LILL. One million pesos?

The CHAIRMAN. Yes.

Mr. LILL. Well, I do not know his exact wording there, Senator, but on this debt that I speak of of 695,000,000 pesos there is 170,000,000 pesos of interest due, which makes a total apparent liability, I will say, of 865,000,000 pesos or practically 866,000,000 pesos. Now, in the——

The CHAIRMAN. Well, there is this 25 per cent held back on salaries that is supposed to be accounted for. Have you got that in the statement?

Mr. LILL. I have got that in this statement; yes, sir; everything that I could find.

Now, the Mexican railway (sic) has guaranteed a certain issue of bonds of the national railways, I think amounting to something like $50,000,000. It is obligated to pay that, but that is not due and will not be due for a number of years yet, so I do not know whether Mr. Cabrera includes that in his statement or not.

The CHAIRMAN. Who has guaranteed that?

Mr. LILL. The Mexican Government, and probably Mr. Cabrera includes in there money needed to pay claims, which is not included, of course, in any statement of her debt.

The CHAIRMAN. Well, this guarantee of the Mexican Government of the railroad indebtedness, if you classify the railroad as an asset, whether the fifty millions is due or to become due later, it is a liability.

Mr. LILL. Well, I did not want to confuse the issue in my reports.

The CHAIRMAN. Not at all, but we were trying to arrive at how Mr. Cabrera calculated the total indebtedness.

Mr. LILL. Yes. Now, in considering the debt problem of Mexico, it seemed to me, and I have so stated in this report, that is in the press—I am very sorry I have not a copy here, but I did not have time to get it—it seems to me the first thing we should do, or any level-headed business man would do in studying the debt of Mexico would be to ascertain what Mexico could pay in debt service. If her revenues in the future are 130,000,000 pesos a month she will undoubtedly need 100,000,000 pesos for the current operations, which would leave about 30,000,000 pesos for debt service. By debt service I mean interest on the debt and amortization payments. With 30,000,000 a year practically it means that Mexico could assume a debt of something like 550,000,000 pesos.

The CHAIRMAN. You mean additional debt?

Mr. LILL. No, sir; I mean total debt. That is the safe maximum of debt for the Republic of Mexico under her present financial situa-

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tion after banditry has been suppressed. I can not say, of course, that my theories have been accepted very generally.

The CHAIRMAN. That your theories have not been accepted where?

Mr. LILL. By the Mexican Government or by anyone else that I have discussed it with.

The CHAIRMAN. Which do you mean, now, your theory that Mexico could assume and pay a debt of 550,000,000—that theory has not been accepted?

Mr. LILL. No; my theory that the debt of Mexico should not exceed 550,000,000 pesos, or that she can not pay more than that.

The CHAIRMAN. You say that has not generally been accepted?

Mr. LILL. I am only speaking for myself now. I am not giving the Mexican Government's views at all, but it seems it is just plain business that if she can not pay any more than that that is all she can stand.

The CHAIRMAN. Sure.

Mr. LILL. The only question is whether revenues in Mexico can be increased.

The CHAIRMAN. Pardon me.

Mr. LILL. Yes, sir.

The CHAIRMAN. Before we get away from the subject of the debt you have been discussing, you speak of the debt of 425,000,000 left by Diaz. What was the classification of that debt? How was it known? What was it called?

Mr. LILL. Well, that was called in Mexico the interior and exterior debt.

The CHAIRMAN. Yes; the internal and external debt, as we know it generally?

Mr. LILL. Yes.

The CHAIRMAN. What were the proportions of that debt, if you recall?

Mr. LILL. I have that right here, I think. The exterior debt, excluding the 6 per cent loan of 1913, would be about 200,000,000 pesos—guaranteed debt. But in discussing that, Mr. Senator, it is exceedingly difficult to define what is an interior and exterior debt.

The CHAIRMAN. Well, it is not hard to understand in view of the fact that the exterior debt is the debt for the payment of which the duties you speak of here were pledged. The import and export duties were not pledged for the internal debt at all.

Mr. LILL. Well, in discussing this matter with bankers they take various views of external debt. As one gentleman insisted, it was all debt which was expressed in foreign currency, and the interior debt was all debt which was expressed in Mexican currency.

The CHAIRMAN. But the external debt of Mexico was all funded two or three different times, finally funded in 1899, was it not?

Mr. LILL. That is the old English debt; that is the final conclusion of the old British debt. It was partly refunded in 1910 by Limantour.

The CHAIRMAN. But in the refunding the contracts were made with this 62 per cent of the duties to be applied to that debt; then for the 190,000,000 which you speak of the balance of the duties were pledged, and that is for the external debt, not for the internal debt at all.

Mr. LILL. No; there are no duties pledged on the—that is the point I was coming up to when I said it was very difficult to decide

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what was an exterior and interior debt. You take the so-called interior debts of Vera Cruz, the State of Tamaulipas.

The CHAIRMAN. I am not speaking of the State debts. I am speaking of the national debts.

Mr. LILL. But those are all assumed by the national government and the national government is responsible for them and they are all guaranteed by a portion of the customs.

Now the internal debt which is not guaranteed is that 5 per cent municipal loan of 1905 of the City of Mexico and the debt of 1904 of 74,000,000 pesos.

Now a lot of these interior debts that were expressed in Mexican currency were actually sold on the London market and are held abroad.

The CHAIRMAN. It makes no difference whether sold abroad or where sold. There were certain revenues pledged to the external debt and then the internal debt was to be paid from other sources entirely. Of course, if the Mexican congress from time to time, or the Mexican Government, had an excess over the sinking fund and interest on the external debt they could apply the balance to the internal debt, but after the last issue of 190,000,000 they could not apply it at all until the entire foreign debt or external debt was paid off.

Mr. LILL. Permit me to state, Senator, the classification I gave is not the classification generally in use, because the external debt, according to Mexican classification, always includes this municipal loan of 1899, sold in London, and the 4 per cent gold loan in 1904 which was sold in New York.

The CHAIRMAN. Yes.

Mr. LILL. Now those two debts are not secured in any way by the customs.

The CHALRMAN. That is what I am speaking of. That is what the Mexicans always call part of their internal debt.

Mr. LILL. I beg pardon, they include both those as external debts—exterior. Their definition of exterior does not mean the debt is secured by a pledge of the customs.

The CHAIRMAN. Of course, from 35 years of actual experience with them in buying their bonds and using their bonds I had a different idea.

Mr. LILL. Well, I am merely giving you the conclusion which has appeared in the memorials of the secretary of hacienda and publications by the Mexican Government.

The CHAIRMAN. Certainly. Doubtless on paper you are possibly very much more nearly correct than myself. Now, how much money did Diaz leave in the Treasury of Mexico?

Mr. LILL. I believe about 72,000,000 pesos. I think that is the figure shown on the balance sheet on June 30, 1911.

The CHAIRMAN. Of course, in the debt of Mexico you are not including any of the repudiated currency?

Mr. LILL. No, sir.

The CHAIRMAN. That is just wiped out and gone.

Mr. LILL. No; that is possibly part of Mr. Cabrera's statement, there.

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The CHAIRMAN. No; it could not be, because we know about a billion and a half to be wiped out, but we do not know how much more.

Mr. LILL. Well, permit me to explain the situation. The old currency issued by Villa and Dieguez, and others of Carranza's generals, was all brought in and consolidated at the time the Vera Cruz currency was issued.

The CHAIRMAN. Well, let us see whether it was. There is some of the first currency issued redeemable for provisionals. I have one $20 bill and one $10 bill here. Now here is a $5 bill and a $20 bill and a $100 bill of this issue. Here is a $1 bill and a $10 bill and a $5 bill and a $20 bill of another issue.

Mr. LILL. This issue is by Gen. Villa.

The CHAIRMAN. Yes. You said that was exchangeable for other moneys.

Mr. LILL. It was up to a certain time; I think up to the time Mr. Villa and President Carranza were together. There were general laws passed which provided that all currency was to be redeemed before a certain period, if not redeemed they were to be made void.

The CHAIRMAN. There is a $10 bill and a $5 bill of the Sonora currency.

Mr. LILL. This is a State currency note, is it not?

The CHAIRMAN. Yes; but it is all for the revolution. Now here are some of the provisionals, and it is only this issue of money that was provided for redemption under the Carranza decree. These are what are known as the Carranza provisionals. I have a $20 bill and a $5 bill. Now that money is redeemable, or was redeemable up to a certain date. It is now no good.

Mr. LILL. Well, a discussion of this thing, Senator, without the actual facts is liable not to get us anywhere. I have all the laws from the time Mr. Carranza was First Chief up to the present time relating to currency. I do not know whether they are covered by Prof. Kemmerer in his book or not. He has a separate book on that.

The CHAIRMAN. When you say the laws you mean you have the orders of Gen. Carranza as First Chief?

Mr. LILL. Yes.

The CHAIRMAN. You have no law with reference to the currency?

Mr. LILL. Well, he was the only authority at the time. I do not conceive of any law——

The CHAIRMAN. Well, the constitution of 1857 was in effect and so were all the laws of the Republic except as he set them aside by decree or order.

Mr. LILL. I do not see that the constitution of 1857 prohibited Mr. Carranza from issuing paper currency. If it did he did not observe it.

The CHAIRMAN. Of course he did not.

Mr. LILL. But this paper currency was issued by practically all the generals when they started the revolution.

The CHAIRMAN. Yes, sir; that is true.

Mr. LILL. After the revolution got going they tried to centralize that function and they issued an order or passed a law, whichever is the proper term, providing that all these issues were to be redeemed in one currency. Now, that was all brought to a head in the Vera Cruz currency. Then there was so much falsification of

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that currency they provided for the new currency which they called the infalsificables.

The CHAIRMAN. Noncounterfeitable money.

Mr. LILL. Noncounterfeitable money, which was printed by the American Bank Note Co. Now, there was some time given—there is a question whether sufficient time was given—after the issue of this new currency for the holders of the old currency to redeem their notes, but at any rate, according to the orders issued, all this old currency is out of existence.

The CHAIRMAN. Yes; they repudiated everything except the noncounterfeitables with the exception of Monclova paper 5,000,000 pesos, constitutionalist paper 25,000,000 pesos, paper of the provisional government 42,625,000 pesos.

Paper of the provisional government of Vera Cruz, 599,329,221 pesos, or a total of 671,954,221 pesos. Now, that is all they agreed to exchange or to take up with the noncounterfeitable money.

Mr. LILL. 600,000,000?

The CHAIRMAN. 671,954,221 pesos.

Mr. LILL. I can not give you any—well, if that is all they agreed to redeem is there any more they said they would not?

The CHAIRMAN. Yes; all this paper you have there, with the exception of one $10 bill and one $5 bill was repudiated. That was never taken up at all; never agreed to be taken up.

Mr. LILL. There is a very good reason, I should say, for that. If these generals, without authority—generals were operating in their own territory and issuing paper currency without authority, I do not see how any central authority could recognize that.

The CHAIRMAN. I am stating the facts. I am not arguing the question whether they could do it. And this Chao currency, the Sonora State currency, was issued when Mr. Carranza went over to Sonora and established his so-called government in that State of Sonora. And the Chao currency was issued by Manuel Chao, acting governor of the State of Chihuahua. This money you have here is the only money that was provided to be taken up, this State of Chihuahua money, this Sonora money, and this Manuel Chao currency.

Mr. LILL. The Chao currency to which you refer was issued by Francisco Villa.

The CHAIRMAN. Yes, sir.

Mr. LILL. I hope it is not the opinion of this committee that the Carranza government should redeem Villa currency. I believe that the currency issued by Villa prior to his break with Carranza was recognized by Carranza, but no currency issued by Villa after that time was recognized.

The CHAIRMAN. That is all right. We can establish that by actual proof.

Mr. LILL. In looking into the financial situation I had to go into this thing, and I have my working papers somewhere showing the actual amount of paper currency taken in and burned, and I can give you much information, if you desire it.

The CHAIRMAN. I think I have all that here. However, if I find I have not later I would be very glad to have you clear the matter up, because there are a great many thousands of Americans and other business men, as well as Mexicans, who would be very glad to know that there was ever any effort made to take up any of this currency.

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I can say to you that all of this currency that I have handed you came to me through an American bank.

Mr. LILL. Well, there was a lot of that currency which was not redeemed which was not presented by the people because when the decree came out authorizing the issuance, or the giving out of new money for the old money, lots of people did not think the new money was any better than the old and did not take advantage of it.

The CHAIRMAN. You do not think that applied to American bankers and Mexican bankers over the Republic, do you?

Mr. LILL. I should not be surprised if it applied to all of them.

The CHAIRMAN. It is a fortunate thing if that is true.

Mr. LILL. But, Senator, American bankers probably did not hold this money at the time those decrees were issued.

The CHAIRMAN. Yes; they did. I showed you the memorandum, this memorandum made by the bank: "Carranza first issue redeemable by provisionals." This was given me by the bank in Nogales, not 50 yards from the house of Pani, the ambassador. This, Carranza issued at Vera Cruz, the legal tender, was the part they did not turn in, and that is all they could turn in.

Mr. LILL. The only question in my mind is did the banks hold this over the period stated by the decree or did these bills come into the bank from their depositors after the period for their redemption had expired?

The CHAIRMAN. I will ask you where you got your information, Mr. Lill, with reference to the redemption of this currency?

Mr. LILL. As I stated, I went into the redemption department of the Treasury and I made an investigation to determine the liability of the Mexican Government for issued currency.

The CHAIRMAN. Understand me, I have no doubt in the world—I understand you are a responsible accountant and I have no doubt in the world you reached an honest conclusion, but your conclusions are limited by the information you had. I am simply asking for my information, what information you had, and where you got it?

Mr. LILL. The more questions of that kind you ask the better I will be pleased, Senator.

I first tried to set out a balance sheet of the Mexican Government, and in order to do that I had to know the assets and liabilities. One thing that struck me first was currency and it took considerable time to get the information, and I based my judgment upon the record of decrees showing when these different currencies were redeemable and when they became void, but I haven't got my papers here, but it is my recollection they were all taken up into that Vera Cruz issue which was later converted into the infalsificables. I think, as near as I can find out, there was about 750,000,000 pesos of that currency issued.

A very large part of that has been redeemed, and has been burned.

The CHAIRMAN. I have the exact amount here which has been burned.

Mr. LILL. You mean burned by the Government?

The CHAIRMAN. Yes, sir.

Mr. LILL. I think it is estimated by the Government that President Carranza in his message mentioned 350,000,000 pesos, but it is my judgment there were not more than 300,000,000 out at June 30,

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1917. Since that time the Government has been redeeming that currency by requiring a payment of part taxes in paper currency. This currency is being redeemed at the rate of about 60,000,000 pesos a year. It was only worth 20 centavos, or 10 cents American.

The CHAIRMAN. There were 41,863,773 exchanged for gold at 10 per cent; 4,040,956 exchanged directly in infalsificables at 10 per cent; 65,985,174 lost by the public; 560,064,318 immediately exchanged, or a total of 671,954,221 infalsificables. This memorandum from which I am reading is, to my mind, from perfectly satisfactory sources and, I think, corresponds fairly closely——

Mr. LILL. I do not know where your source is, Senator. I can only give you my source.

The CHAIRMAN. We are not very far apart. But what I was asking, Mr. Lill, was simply as to the source of your information, which is, I understand, from the Carranza decrees in reference to the different currencies.

Mr. LILL. You might say the daily cash transactions of the Mexican treasury covering over a period of a year or two. I do not think there are over 150,000,000 outstanding now.

The CHAIRMAN. No; I doubt whether there is that much.

Mr. LILL. Nobody knows.

The CHAIRMAN. That is all the pesos they agreed to redeem?

Mr. LILL. There is any quantity of the other that, as I understand, they have agreed to redeem up to a certain time, and upon failure to present them were declared void.

The CHAIRMAN. Yes; there is no question about the correctness of your information except that mine goes a little bit further. There were various of these generals who at one time or another were with Carranza and then would quit him and then again would go back with him, and whenever one of them quit him it was customary to declare that the money was not any good that was outstanding. Those who finally were with him at the time you mention—for instance, at that particular time there was Gen. Villareal and others. Villareal was his governor of the State of Coahuila, but the Villareal money was not Monclova money.

Mr. LILL. It was not redeemed.

The CHAIRMAN. No; neither was the original Bank of Torreon money ever redeemed, nor the Bank of Sonora, although it was taken and used; also the Banco Minero in Chihuahua.

Mr. LILL. You mean the bank notes?

The CHAIRMAN. Taken and used and made legal tender, and then repudiated. The banks have been trying to get it secured. That is the reason I was asking you for the sources of your information, because if you had investigated outside—of course, however, it was not your business to do so——

Mr. LILL. I did, Senator. I was in constant conference with Muirhead, of the Canadian Bank, and others. I discussed this thing with them quite often.

The CHAIRMAN. Those were the City of Mexico banks?

Mr. LILL. I know the business of some of those banks outside.

The CHAIRMAN. Do you know what the banking system of Mexico was, Mr. Lill, prior to the revolution?

Mr. LILL. The banking system?

The CHAIRMAN. Yes.

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Mr. LILL. I think I have an idea; yes, sir; I think I know it.

The CHAIRMAN. All the banks, the State banks, throughout the entire Republic, or practically all of them, had a form, a combination, you might call it, working through the Banco Central, and the other issues were handled in that way through that bank.

Mr. LILL. By whom?

The CHAIRMAN. By the Banco Central, backed by the Mexican Government.

Mr. LILL. A kind of cooperative effort?

The CHAIRMAN. Yes, sir. For instance, at one time just shortly prior to the revolution, the henequen crop was saved by the Bank of Yucatan coming to their assistance. That scheme was ruled out by Limantour and Enrique Creel, and prior to that time these bank notes did not circulate in any other State. The Bank of Sonora notes were not good in the State of Chihuahua. The Banco Minero did not; and both of those banks were as strong as any bank, almost, that we have in the United States, banks of five to ten million dollars capital. Still their notes did not circulate outside of the particular State until the formation of this banking system under the Banco Central, City of Mexico. The Bank of London, in Mexico City, and other banks in the City of Mexico, were not, except as they might handle business and capital with the other banks, members of this particular banking system, which extended into every State of the Republic.

Mr. LILL. They did not have to be, Senator, because notes of the Bank of London and of the national bank were accepted in all parts of the Republic under their charter. These other banks did not have this privilege.

The CHAIRMAN. I understand that, but the Bank of Sonora notes and the Banco Minero in Chihuahua and in Hermosillo were accepted, or any of their branch bank notes were accepted, on the Bank of London. The practice was, as to their own notes, that if there was a discount it was only that necessary to cover transmission.

Mr. LILL. You are familiar, of course, with the increase in the authority to issue bank notes?

The CHAIRMAN. Since when do you mean?

Mr. LILL. From Huerta's time.

The CHAIRMAN. I will admit that I paid very little attention to presidential decrees as affecting banks or Government finances.

Mr. LILL. The national banks were allowed to issue two for one, I believe—2 pesos for every dollar of deposits and capital. I am speaking from recollection now. I would have to verify that from my report.

The CHAIRMAN. When did Mexico go on a gold basis?

Mr. LILL. Well, I should say it went on a gold basis in 1905, with the reorganization of the currency, although Kemmerer takes some exception to that, due to some provision in the law. I think it is purely technical.

The CHAIRMAN. The effort of the Carranza government has been not to put Mexico on a gold basis, but to actually take up this outstanding currency on some immediate basis and to provide then a metallic reserve for the protection of outstanding currency.

Mr. LILL. When we got there, Senator, there was no paper currency in circulation. All this currency that you speak of was hoarded

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and there was no market for it, and it was not passing. To protect that outstanding currency depended entirely upon the ability of Mexico to secure funds for it. Our part there was to provide Mexico with a new currency system, and we suggested a paper currency with an adequate gold reserve to be maintained, which could not be adopted, because Mexico could not get the gold or could not put the gold aside to provide the reserve.

The CHAIRMAN. How long did the effort continue to convert the paper into metallic money while you were there?

Mr. LILL. I do not believe there was any effort made to do that, Senator. The paper currency practically disappeared in November, 1916, and they started on a metallic basis. I do not know of any currency being redeemed from that time on.

The CHAIRMAN. From 1916?

Mr. LILL. Yes, sir.

The CHAIRMAN. How are these infalsificables redeemed?

Mr. LILL. They are redeemed in this way: Every dollar of taxation by certain prescribed taxes require 1 peso of infalsificable currency in addition, a surtax.

The CHAIRMAN. What was the rate of exchange under Circular 135?

Mr. LILL. I do not recollect that particular circular, Senator.

The CHAIRMAN. I have it here; 32 infalsificables for 1 peso of gold.

Mr. LILL. Thirty-two pesos, you mean?

The CHAIRMAN. Yes, sir. And then under Circular 142, 150 infalsificables to each peso gold in payment of taxes and wages.

That was followed by another decree of March 29, 1917, with reference to infalsificables; do you know what the effect of that decree was?

Mr. LILL. What was that decree? Have you got that decree here?

The CHAIRMAN. No; I have not.

Mr. LILL. I think probably that decree was issued merely for the purpose of providing a basis for exchange operations with the banks as to debts expressed in the old currency. I am not sure, though.

The CHAIRMAN. No; it was to the effect—I have not the decree here—of placing an additional tax of 1 peso infalsificable for each peso gold on import duties so as to get in the infalsificables. Where there was a peso gold import duty, then they adopted a decree that you had to pay an additional peso of infalsicable so as to get the infalsificables in. That was also on the production of petroleum.

Mr. LILL. Internal taxation, too, I think.

The CHAIRMAN. You spoke of the administration's collection of customs and your getting constant notices as to the collections, etc. Did you get reports from the ports of Nogales and Agua Prieta?

Mr. LILL. It is my recollection that we did. That situation was handled by Roberto Pesquera, who was agent for the Mexican Government on the American side, and as I understood it he collected the money from that section of the field deposited in American banks and transmitted it down in another way. It is my recollection, sir, that we had telegraphic reports from every office in the Mexican Republic.

The CHAIRMAN. I was wondering how closely you checked up the reports with actual receipts.

Mr. LILL. You mean by that, making a field audit?

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The CHAIRMAN. Yes; or making any other kind of an audit. When you got reports of collections for a certain month, did you check that report up with the actual receipts which were forwarded to the City of Mexico?

Mr. LILL. Yes, sir; they were all checked up in the audit section.

The CHAIRMAN. Did you have anything to do with that?

Mr. LILL. We organized it.

The CHAIRMAN. I mean, personally. Did you check it with the telegraphic reports as to the receipts?

Mr. LILL. With the telegraphic reports?

The CHAIRMAN. Well, any report.

Mr. LILL. The telegraphic report was merely for information to allow the Executive to administer the affairs of the country. We had every officer render a monthly report with all supporting vouchers, which received quite a thorough audit in the central office.

The CHAIRMAN. Did you pass among those vouchers the amounts retained by the military authorities of the State, for instance, of Sonora, for military expenses? How was that accounted for?

Mr. LILL. At one time I believe you referred to the extraordinary expenses each general was provided with at a certain time. Those were passed upon along about May or June, or possibly after that, when Mr. Carranza got after that and practically cut that thing out. I know we cut out those extraordinary expenses of that character in Vera Cruz from eight hundred thousand a month, or something like that, to five or six thousand. That was a very great evil.

The CHAIRMAN. Yes; it was a very great evil; but the question is, Did you find it was a necessary evil or one that could be remedied?

Mr. LILL. It apparently has been remedied by the President now, Senator, by cutting it out, reducing it.

The CHAIRMAN. You are speaking of Vera Cruz, but I was inquiring as to the Northern States with which I happen to be more directly personally familiar than I have been for years with the Southern States. Take Cantu, for instance. How much money did Cantu ever turn over to the Carranza Government?

Mr. LILL. Where was he governor? He was governor, was he not——

The CHAIRMAN. Governor of Lower California, and is now.

Mr. LILL. I do not know whether he ever turned any money over. My recollection is that the receipts of Lower California were hardly sufficient to pay expenses.

The CHAIRMAN. You do not remember about the State of Sonora? That is one of the largest States.

Mr. LILL. We do not get any report from the States. We merely get reports of the Federal officers. The State is just as separate from the Government as our States here are.

The CHAIRMAN. I know that, Mr. Lill. I have been fairly familiar with the Mexican Government and State governments—I was going to say as familiar, almost, as I am with the United States. But I am speaking of the customhouses in the States. I imagine the customhouses on the border of the United States, Nogales and Agua Prieta, opposite Douglas, are the two large customhouses in Arizona, and I happen to know something about how they are run and how the expense is being paid, and I was inquiring of you if you had checked up

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as to the amount of the customs actually collected and the amount which the National Government got out of it.

Mr. LILL. I do not do that personally, and I do not know. I presume that was done in the auditing office. That would be covered by the audit. But if there was any discrepancy, and I believe there were a great many discrepancies, it would not be, as far as I could determine, in the account itself or in the form of transaction; that is, if a man was going to embezzle any money he would not render any account current to the Government or put in false vouchers. It was all worked in another way—by personal payments to officials for allowing stuff to go through without the proper vouchers.

The CHAIRMAN. I did not mean for a moment that there was any embezzlement on the part of the governor of Sonora, for example. There are certain State revenues to support the State government, and the national revenues are not supposed to go to the support of the State governments. I was wanting to know to whom the national revenues went, of the State of Sonora, collected through the customs house, or the 20 per cent on land tax and supertax, on other States taxes, placed by the Federal Government, including, for instance, a mining tax, which is altogether a national tax.

Mr. LILL. I can not answer that definitely, because all those taxes are collected. They come in and are reported to the central treasury. Two million pesos may be ordered remitted to Mexico City and a million pesos might have been remitted to some other place, or two million disbursed among various objects. It is almost impossible to tell that.

The CHAIRMAN. Why did you come to the conclusion that Mexico can only afford a debt of 550,000,000 pesos when, under a debt of 425,000,000 pesos, Diaz left 73,000,000 pesos in the treasury and had the country on a par basis in so far as its securities were concerned?

Mr. LILL. That 73,000,000 pesos, of course, Senator, was not the savings of any one year. That was the accumulation of probably eight years, seven or eight years, as I recall. The reason why I said that is that in Diaz's time the national budget included the Federal districts—about 16,000,000 pesos, I think—and the expenses of the various Territories and a number of other things. The new budget does not include those. The laws now provide that the Federal District and the Territories shall be self-supporting, so that in any comparison of the two budgets you have either got to eliminate the Federal District from the Diaz budget or add a corresponding amount to the Carranza budget and eliminate the Federal Districts in those expenses, which would average about 90,000,000 pesos a year, of which practically 25,000,000 pesos were for payment of the debt. That would leave 56,000,000 pesos, approximately, for the current operations of the Government exclusive of the debt.

Prices have risen in Mexico, like everywhere else. Salaries should have risen. You can not run a Government to-day for the same amount that you ran it in 1910. You have got to have pretty close to double that amount to run Mexico to-day.

The CHAIRMAN. Upon what do you found that statement, Mr. Lill?

Mr. LILL. Partly from the cost of living, sir.

The CHAIRMAN. How are you basing that—on the cost of living in Mexico, in Mexico City, or the cost of living in the Republic of

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Mexico generally, among the great mass of the people, or are you basing that upon the comparative cost of living in the United States?

Mr. LILL. No; from the cost of living in Mexico, from what I get from employees.

The CHAIRMAN. In the Republic of Mexico?

Mr. LILL. Yes, sir.

The CHAIRMAN. What means did you take to ascertain those figures?

Mr. LILL. For instance, it frequently happened that in certain territories application would be made for an allowance to cover an increased cost, and in quite a number of States or districts we had to make employees an additional allowance over their pay to offset the increased cost of living. They can not live on their pay. Mexico to-day is a much dearer place to live than the United States, and the salaries have not gone up. I think it is perfectly safe to say that the increased cost of everything will increase the cost of operation of Mexico. In addition to that Mexico never did do what she should have done in the way of education. So that her educational program, in addition to the increased cost of government—I do not see how she can possibly get it under one hundred to a hundred and ten million pesos for current operations——

The CHAIRMAN. Right there, what do you mean by her educational program? You mean some report that has been made to the Carranza government with reference to an educational program or do you mean some decree or some act of Congress?

Mr. LILL. No, sir; I merely referred to the evident fact that Mexico had not done very much educational work and that she should undertake a broad educational program as one of the functions of government.

The CHAIRMAN. Either under the Diaz administration or under this administration what has been the educational program in Mexico?

Mr. LILL. I can not give you much information on that. It is a matter I know very little about.

The CHAIRMAN. You know what the educational program of this country is. The National Government does not support public schools, does it?

Mr. LILL. No, sir.

The CHAIRMAN. Does it in Mexico?

Mr. LILL. I think it is beginning to to a certain extent, and where the educational facilities are in the States some action must be taken, it seems to me.

The CHAIRMAN. I am only asking you as to whether——

Mr. LILL. I do not know very much about it.

The CHAIRMAN. The budget for 1918 was 21,000,000 pesos, was it not?

Mr. LILL. That is, by the Federal Government, Senator.

The CHAIRMAN. Yes.

Mr. LILL. No, sir; I think that the educational department of the Government is what they call the department of university. They had 2,270,000.

The CHAIRMAN. What was it in 1917?

Mr. LILL. I have not the budget. It was about the same. I do not know, because the first budget after the revolution was prepared in July, 1917, but was about the same, I think.

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The CHAIRMAN. You are positive there is no educational budget further than that university budget there?

Mr. LILL. None outside of the payments which might have been made by the central government to the federal district for schools for some of the States to support school work.

The CHAIRMAN. That is exactly what I am talking about. I was asking you about the educational system of Mexico; and under the educational system of Mexico the National Government did provide for the schools in the federal districts and in the territories and left the States to provide for their own schools?

Mr. LILL. Not this year, Senator.

The CHAIRMAN. You may have cut that out. I am speaking of what the practice has been.

Mr. LILL. Yes; you are correct. The practice prior to the constitution of 1917 was that the Federal Government paid for educational purposes in the federal districts and territories. After that it did not.

The CHAIRMAN. Has there been a law passed to carry out the provisions of the constitution of 1917?

Mr. LILL. I do not believe so, sir.

The CHAIRMAN. What does this recent strike of the school-teachers in the federal districts mean—do you know?

Mr. LILL. They had a number of strikes down there. The strikes were generally due to the fact that the employees could not get the salaries. The federal district was made autonomous by this constitution and was supposed to get its own revenues. They provided quite an elaborate structure of government, which was entirely too expensive and they did not have much left for the teachers. It frequently happened there, even as to my own employees, that they had had to wait. I have waited myself—not being different from my employees. The teachers would have to get along for two or three or four months without possibly any salary at all.

The CHAIRMAN. Where were they supposed to get their salaries?

Mr. LILL. From the Federal district.

The CHAIRMAN. What character of government did they have in the Federal district?

Mr. LILL. A commission form, I think—three commissioners.

The CHAIRMAN. And they were supposed to raise their own revenue by their own taxation and support themselves, including their schools?

Mr. LILL. Yes, sir. A bill has recently been introduced in the Congress putting it back under the Federal Government, but it has aroused a good deal of opposition in the Congress.

Might I get back to that maximum debt, Senator?

The CHAIRMAN. Yes; go ahead.

Mr. LILL. I am only speaking now of the maximum debt which could be assumed by Mexico at the present time. It is reasonable to suppose that in 10 years the Mexican revenues will increase if she adopts a broad policy of immigration and increases her population from 15,000,000 to 30,000,000 in the next 10 years. The chances are that her revenues will be amply sufficient to take care of any liability which she may have; but for the present reconstruction of Mexico or the present reorganization, she can not possibly pay over twenty-five

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to thirty million pesos a year right now. Future payment depends to a certain extent upon rehabilitating her banks, getting money, restoring her railways and probably establishing a new Federal bank which she wishes to do.

The CHAIRMAN. Do you know whether Mexico has anything to show for her 425,000,000 pesos indebtedness in the way of national improvements of property?

Mr. LILL. I worked that out, Senator, in this report, and I asked at the time I should be notified that I be given sufficient time to get my papers, and I did not have time enough.

The CHAIRMAN: I would like very much to have that.

Mr. LILL. I worked that out, and I think the railways got over 200,000,000 pesos. There is only about 80,000,000 pesos out of that total of 400,000,000 pesos which appears to have been spent in current expense of operation. The majority of it was spent for public works.

The CHAIRMAN. When you went down there with this commission to work out your budget system, to advise the Government generally and to perform the services which you have been performing, what was the idea? You are an American. I will ask you who composed the commission with whom you went down there?

Mr. LILL. We were asked to go down there individually first, by Mr. Cabrera and Mr. Pani. After we got down there on our suggestion they organized a commission. I was very curious to know, and I found that in Mr. Pani's department he had heard of President Taft's economy commission and had sent up and got reports from that commission and he tried the same thing down in Mexico. In fact, he had taken some of these Taft reports and had worked out reformations along the line of standardization of files and correspondence, himself. But so far as I can find, the idea was not new.

The CHAIRMAN. Who composed this commission?

Mr. LILL. Luis Cabrera, who was then the secretary of the treasury; Rafael Nieto, assistant secretary of the treasury; Alberto J. Pani, secretary of commerce, labor, and industry, who is now ambassador to France; Manuel Rodriguez Gutierrez, secretary of public works; Mr. Bruere, and myself. The names are on that folder.

The CHAIRMAN. I noticed Mr. Cabrera's name as a member of the commission, but I did not notice yours.

Mr. LILL. What folder is that? At that time I was not a member, but I was afterwards. I was alternate for Mr. Bruere. Whoever happened to be on the job acted as a member, but it was not advisable to make the Americans too prominent in that connection. I have not stated I was a member. I said I was an accountant and acting director.

The CHAIRMAN. Mr. Bruere is a member. Luis Cabrera, Alberto J. Pani, Rafael Nieto, Manuel Rodriguez Gutierrez, Henry Bruere, and Alberto Hijar y Haro was secretary.

What did you have in mind? Was there any thought of attempting to assist Mexico in funding her debt or in financing Mexico in any way when this commission was formed through loans or advances from the outside?

Mr. LILL. No, sir; not the slightest. It was not until along about eight months afterwards that we talked it over and decided, or came to the conclusion, that effective financial assistance was the basis for any real reorganization of Mexico. But at that time we had no such idea.

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The CHAIRMAN. At the time you did come to such a conclusion, what efforts, if any, did the commission make to carry out the plan?

Mr. LILL. The commission made none at all.

The CHAIRMAN. What efforts were made by the Mexican Government, acting upon the advice of the commission, if any?

Mr. LILL. The commission was allowed to disband in June, 1918. No effort had been made up to that time—that is, concerted effort—to secure any funds. After that time I went down to Mexico again in October, and I discussed the matter with President Carranza, and as a result of that he sent his secretary of finance, then Mr. Nieto, up for a conference with the bankers.

The CHAIRMAN. What bankers?

Mr. LILL. The International Bankers Committee.

The CHAIRMAN. In New York?

Mr. LILL. Yes, sir; of which J. P. Morgan is chairman.

The CHAIRMAN. Were the negotiations with Mr. Nieto successful?

Mr. LILL. I would rather not make any statements about the negotiations. They may be a confidential matter, sir. I do not think he obtained any funds, and, personally, I do not think his mission was by any means a failure.

The CHAIRMAN. The basis upon which this proposition or suggestion or attempt to finance Mexico was made was founded on the figures you have given us here, that Mexico would be able to maintain an indebtedness of 550,000,000 pesos?

Mr. LILL. The basis of the negotiations was given by Mr. Nieto.

The CHAIRMAN. Is that formed upon your report?

Mr. LILL. I have no idea. I am not sure that the basis which he outlined is the basis which I have discussed. I am not seeking to give you any information as to anything of that kind. I am trying to give you my conclusions after my study of the matter.

The CHAIRMAN. In arriving at your conclusions as to the amount of indebtedness which Mexico could assume and discharge—that is, 550,000,000 pesos—were those figures based on a peace status or on a war status?

Mr. LILL. That is a conclusion based upon a peace status.

The CHAIRMAN. Do you provide for a military budget in that 550,000,000 pesos?

Mr. LILL. Yes.

The CHAIRMAN. What was the amount of it?

Mr. LILL. I think about 60,000,000.

The CHAIRMAN. Per annum?

Mr. LILL. Yes, sir.

The CHAIRMAN. How many men did you figure that would support in the army?

Mr. LILL. I did not figure that out. I did not try to form any conclusions along that line. I merely took the amount of money and tried to arrive at some conclusion as to what they would require after peace was established.

The CHAIRMAN. You must have had information from some one who did assume to know, before you could arrive at any conclusion as to the amount necessary in a military budget. You must have had some information—or did you just do that arbitrarily and set aside 60,000,000 pesos?

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Mr. LILL. You might describe my first effort as arbitrary, but after that I will not say it is mine. I am giving you the information which is what I understood to be the general feeling among such officers as I discussed it with after going into the matter.

The CHAIRMAN. What was the Diaz budget?

Mr. LILL. For the army? I do not believe I have it here. It is in the report that I did not bring with me this morning. The proportion is a great deal smaller. But at that time I understand the States maintained the rurales and never had maintained a military establishment. At the present time that entire establishment, if I am not mistaken, has been taken over by the Federal Government.

The CHAIRMAN. The rurales were a national force. The States maintained State troops, the State police and the gendarmes.

Mr. LILL. The States paid the rurales, did they not? The States contributed to the Federal treasury, I believe, enough to pay for their rural forces?

The CHAIRMAN. No; except in the form that they contributed to the Federal treasury in other matters, by a superimposed tax on the State land tax, and matters of that kind. The rurales were a Federal police force. The States had a national guard that corresponds to our national guard here, and the national army was entirely distinct.

I wish you would get that report for the committee. This matter, of course, is somewhat interesting, and this committee can only meet rather irregularly at this time on account of the exigencies in the Senate. It will be necessary for me now to call a halt in the present hearing. I will not arrange for a hearing to-morrow definitely. We will take an adjournment now subject to the call of the Chair.

If you can conveniently get that report and have it over here some day this week, and let us know when you are here, I would like to have it; and I would like to make some further inquiries of you along the line that you have already testified.

Mr. LILL. Very well, sir. I think I can get that report without much trouble.

The CHAIRMAN. We will give you all the time you need to get up anything that you wish.

In addition to the reports which you have furnished, if you have any others which are typewritten, copies of which you can furnish the committee, we will be very glad to have them.

Mr. LILL. I wish I could, Senator, but it seems to me that the only reports which I am at liberty to give are those that I have in print. They are public property.

The CHAIRMAN. That is up to you, of course. I will not be insistent upon it. The subject which we are discussing is one of very material interest to all of us who are interested at all in Mexico.

(Whereupon, at 1.20 o'clock p. m., the subcommittee adjourned subject to the call of the chairman.)

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INVESTIGATION OF MEXICAN AFFAIRS.

MONDAY, OCTOBER 6, 1919.

UNITED STATES SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON FOREIGN RELATIONS,
Washington, D. C.

The subcommittee met pursuant to the call of the chairman at 10.30 o'clock a. m., in room 128 Senate Office Building, Senator Albert B. Fall presiding.

Present: Senators Fall (chairman) and Brandegee.

Present also: Maj. Dan M. Jackson.

The CHAIRMAN. The committee will come to order.

TESTIMONY OF THOMAS RUSSELL LILL—Resumed.

The CHAIRMAN. Mr. Lill, when the committee adjourned the last time and you were on the stand, you stated that you had certain reports and data in your office in New York which you would obtain and bring here when you continued your evidence. Have you those reports to which you had reference at that time, with you now?

Mr. LILL. Yes, sir.

The CHAIRMAN. Well, sir; we will be glad to hear from you. Just go ahead this morning.

Mr. LILL. Your last question, Mr. Senator, was as to whether I had any information regarding what was done with these loans in Mexico; what productive works had been gotten out of it.

The CHAIRMAN. Yes; I believe that was it. That was the Diaz loan, outstanding bonded indebtedness.

Mr. LILL. Well, I will just read this paragraph.

Data is not available to show the disposition of the proceeds of the various Government loans. Fernando Gonzalez Roa in his book El Problema Ferrocarrilero published in 1915, states that up to June 30, 1902, the Government had paid out in subsidies to railroads the amount of pesos 144,891,743.92. As the 4 per cent loan of 1904 amounting to pesos 80,000,000 was issued after the date referred to by him and was issued for the payment of notes given as subsidies to railroads and for public works, it is probable that this amount should be added to the total stated by Roa. It is reasonably certain that the 3 per cent loan of 1885 was used to consolidate the floating debt.

The CHAIRMAN. Well, those two last loans, 174,000,000 and 80,000,000 would be 255,000,000 pesos or approximately $80,000,000. That was, you say, for railroad subsidies?

Mr. LILL. Yes. [Reading.]

It is reasonably certain that the 3 per cent loan of 1885 was used to consolidate the floating debt. What portion of the 5 per cent interior loan of 1894 was used to pay floating indebtedness and what portion was used for public works is not known.

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From these various statements we may arrive at an approximation as to the disposition of the larger part of the bonds issued, as follows: That is up to the time of the Diaz—up to 1910:

For consolidation of the floating debt	$54, 930, 086. 82
Debts assumed by the Government	33, 638, 000. 00
For the construction of railways	244, 891, 743. 92
And the balance, which I was not able to segregate	89, 900, 000. 00
Making a total of about	422, 673, 825. 00

I carried that on to the next step to see what effect these large expenditures had upon national revenues——

The CHAIRMAN. Before you get to that, let us see for a moment. You say the accurate data was not to be obtained there, and the statements you have just made are from some book. Why were not the accurate data to be obtained?

Mr. LILL. I beg pardon?

The CHAIRMAN. Why was not the accurate data with reference to this indebtednes or the expenditures obtainable?

Mr. LIL. Well, the accounts are very poorly kept from 1885 up, and it was not until probably the last two or three years of Limantour's régime they began keeping better accounts.

The CHAIRMAN. Did you have your attention drawn to the national improvements in the way of drainage of the Valley of Mexico?

Mr. LILL. Yes.

The CHAIRMAN. Do you know how much that cost?

Mr. LILL. I do not know; no, sir.

The CHAIRMAN. Do you know who did the work?

Mr. LILL. I think Pearson did the work. I am quite sure he did.

The CHAIRMAN. Now, you speak of railroad subventions amounting to aproximately $244,000,000. Did that include the Yucatan Railroad?

Mr. LILL. No; that did not include that. That was paid—well, it included the Yucatan Railway, but it was not in the form of subsidies. The bond issue was issued direct to the contractor for the construction of the road. When I speak of subsidies, they followed our American plan of giving the contractor so much a mile.

The CHAIRMAN. That is, they did with some roads?

Mr. LILL. Yes; some roads.

The CHAIRMAN. Others they did not?

Mr. LILL. No, sir.

The CHAIRMAN. Do you know anything about the public buildings in Mexico, such as the uncompleted National Theater in the city of Mexico?

Mr. LILL. Yes, sir; I believe that stands about 14,000,000 pesos at the present time.

The CHAIRMAN. Is that covered into this indebtedness? That is, was it included in the bonded indebtedness?

Mr. LILL. I can not answer that definitely, because, as I recollect the budgets, they paid that out of their current revenues, or incurred floating liabilities and then issued bonds later to take up the floating debt, and that floating debt usually included quite a number of things.

The CHAIRMAN. Well, you found the data with reference to it in the records so that you could understand it?

Mr. LILL. Well, I made no notation of it. It is in the budget.

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The CHAIRMAN. What about the street paving in Mexico City and other cities of Mexico? Do you know anything about that?

Mr. LILL. That is not in the federal Government accounts at all. That was paid by the federal district of Mexico City and other cities.

The CHAIRMAN. It constituted public improvements, however. Was it included in the internal bonded indebtedness?

Mr. LILL. I do not know, sir; there is quite a large debt there of the federal district which is included in the foreign debt.

The CHAIRMAN. You spoke the other day of some of the internal indebtedness having undoubtedly been covered into the external indebtedness, external or foreign bonds, and I was wanting to know whether the records show the conversion of any part of this, and, if so, what it was for and why it should be converted into what they call foreign bonds.

Mr. LILL. I would not say the debt was converted from an interior debt to a foreign debt except as the floating indebtedness existing was paid off by the proceeds of bond issues secured wherever they could get it. That federal district bond issue certainly was placed in England.

The CHAIRMAN. You say that the records for the last two or three years prior to the Diaz resignation were not well kept, the financial records. Do you know whether or not they had expert accountants there prior to that time? Do you know who made the arrangements for the funding of the debts in 1884 and 1889 and 1894?

Mr. LILL. I think Mr. Limantour did that—not in 1884. He was not there then. But he completed the largest financial transaction there, the refunding of the consolidation of the debt into that loan of 1899 and the refunding of that, or half of it, in 1910.

The CHAIRMAN. Well, Mr. Limantour also completed the negotiations for placing Mexico on a gold basis, did he not?

Mr. LILL. Yes, sir; he did that. That was in 1905.

The CHAIRMAN. Was not Mr. Limantour recognized generally all over the world as an exceedingly able financier?

Mr. LILL. I think he is, sir.

The CHAIRMAN. That was his reputation in France and Russia and all over the world, was it not?

Mr. LILL. Yes, sir; and I was up to see Gov. Gen. Forbes just a short time ago and he knew Limantour very well and he expressed that same opinion. I would like to add, though, sir, that I do not think Mr. Limantour is a more able man than Mr. Cabrera.

The CHAIRMAN. Well, I am glad to have your opinion. Mr. Limantour was in close association, at least in the matter of advice and consultation, with the principal American financiers, was he not, while he was secretary of hacienda?

Mr. LILL. Yes, sir; but there is a very interesting chapter in there which covers Mr. Limantour's negotiations. He came up to New York on his way to Europe for the purpose of beginning negotiations for the refunding of that loan—of the 1899 loan. He was met there by the representatives of all the large banking houses in the United States, who made propositions to him for the refunding of the debt. In Mr. Limantour's report he states that he could

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only take these matters under consideration, because it would be foolish to consolidate the Mexican debt in the United States or to exchange European creditors who were thoroughly familiar with Mexican conditions for new creditors who were not. And he pointed out that we frequently had very great fluctuations in currency and the exchange rate varied a great deal. Due to all these considerations he placed the loan in Europe.

The CHAIRMAN. When did Mexico go on a gold basis—in 1905?

Mr. LILL. In 1905.

The CHAIRMAN. Do you know who Mr. Limantour's assistants were at that time, or who was his principal assistant on that mission for placing Mexico on a gold basis?

Mr. LILL. I am sorry I can not give you the names now. I have it in a report but I did not bring it down with me. I think it was three Mexicans.

The CHAIRMAN. I asked you the other day if you knew anything about the formation and the plan of the formation of the Banco Central in Mexico. Do you know whether or not any Americans were interested in that or assisted in it?

Mr. LILL. I do not know, sir.

The CHAIRMAN. Have you any more information now with reference to the plan on which the Banco Central operated than you had when you were here before?

Mr. LILL. I have not had time to look it up. I made a report on the banking situation—wrote it—it is not completed, by no means a complete study, but the Banco Central was substantially as you had outlined it.

The CHAIRMAN. All right, sir, go ahead with your statement.

Mr. LILL. Well, it seems that the papers the other day, Mr. Senator, stated that the Mexican debt was approximately $1,000,000,000. Mr. Cabrera sent me a cable in which he took exception to that and said that the latest information was contained in the President's last address to Congress in which he expressed the opinion that the Mexican debt would probably be in the neighborhood of 1,000,000,000 pesos, which would mean $500,000,000. That, I think, fully covers the debt from my investigations also. But there is a big difference between $500,000,000 and $1,000,000,000.

Senator BRANDEGEE. Does that include all unpaid interest?

Mr. LILL. Yes, sir; includes damages—claims for damages.

Senator BRANDEGEE. Who estimates those?

Mr. LILL. I presume the president estimated it in his last message.

Senator BRANDEGEE. Carranza?

Mr. LILL. Yes, sir; I do not know what the claims amount to which have been presented, but I doubt whether they will go over $25,000,000.

Senator BRANDEGEE. What claims?

Mr. LILL. Claims of foreign residents.

Senator BRANDEGEE. Against Mexico?

Mr. LILL. Yes, sir.

Senator BRANDEGEE. That is estimated by Carranza?

Mr. LILL. He did not estimate that. I am simply going on claims presented on past revolutions. They never have gone up as high as that.

The CHAIRMAN. $25,000,000, did you say?

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Mr. LILL. Yes, sir.

The CHAIRMAN. Not pesos?

Mr. LILL. Dollars.

Senator BRANDEGEE. By prior revolutions do you include all those that took place since 1910?

Mr. LILL. No; I mean back from about 1855.

Senator BRANDEGEE. Up to what time?

Mr. LILL. Up to 1910. That would cover—the largest consolidation would be about between 1884 and 1890 under Diaz when he settled all the claims of foreigners against his government.

Senator BRANDEGEE. Do you know whether Carranza made any estimate of claims for damages of any kind against Mexico since 1910?

Mr. LILL. No, sir; I do not believe he has. They organized a commission down there, a claims commission, to which all people having claims against the government could present their claims. This was purely a national commission and the claims of foreigners have not been presented to that commission, as I understand it.

Senator BRANDEGEE. Well, do you know whether it was the intention of those who appointed the commission that it should only have jurisdiction of domestic claims, Mexican domestic claims, against their own government?

Mr. LILL. No, sir: it was the intention to take jurisdiction of claims from everybody.

Senator BRANDEGEE. And you do not think any foreigners have handed in their claims against Mexico to that commission?

Mr. LILL. With very few exceptions they have filed their claims with the State departments of their respective governments.

Senator BRANDEGEE. Do you know what amounts of claims against Mexico have been filed with any other government?

Mr. LILL. I do not.

Senator BRANDEGEE. That is all.

The CHAIRMAN. Do you mean to say that there were any outstanding claims of individuals or governments for damages in Mexico at the time Diaz went out?

Mr. LILL. When he came in, Senator.

The CHAIRMAN. But when you were speaking of the $25,000,000 in claims here, what claims did you mean that Mr. Carranza might have taken into consideration?

Mr. LILL. The claims against the present Mexican Government for damages caused by the last revolution.

The CHAIRMAN. You answered Senator Brandegee and you have me mixed on the question. You say there have been no claims presented to, or considered by, this commission, claims arising under the revolution of 1910, and then you speak of the claims that originated under the Diaz administration. Now what do you mean by that statement? What is the amount of those claims? That has all been funded, has it not?

Mr. LILL. That has all been settled.

The CHAIRMAN. As a matter of fact, has there been a claim against the Mexican Government of any kind of which you have knowledge, for personal damages since 1884?

Mr. LILL. Since 1884?

The CHAIRMAN. Yes.

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Mr. LILL. Yes, sir; a great many claims, and I think they were settled by an international arbitration commission, if I am not mistaken.

The CHAIRMAN. At any rate, those claims now are all out of the way.

Mr. LILL. All out of the way.

The CHAIRMAN. They are represented in this funded indebtedness. Now, Senator Brandegee asked you, as I understand, if this estimate of approximately 1,000,000,000 pesos included claims for damages. I remind you now that we were talking about pesos the other day all the way through and not dollars.

Mr. LILL. Yes, sir.

The CHAIRMAN. And you estimated the debt at 671,000,000 pesos, and I called your attention to the fact that the estimate made by Mr. Carranza amounted to much more than that, and you ran it up yourself, as I recall it, to about 900,000,000 pesos, and now Mr. Cabrera tells you that, as pointed out by Mr. Carranza, it was approximately 1,000,000,000 pesos. None of use were talking about dollars at that time.

You were estimating what indebtedness Mexico could carry at 550,000,000 pesos, not dollars. So the same condition exists as you testified to before; that is, you said Mexico could assume and carry along an indebtedness of 550,000,000 pesos. You first estimated the indebtedness at 671,000,000 pesos, represented by bonds, etc., as the entire amount which you could give us here in detail, but upon having your attention called to Mr. Cabrera's statement and the President's statement which I have before me, we approximated it at something like 970,000,000 pesos. You claimed, however, in the 671,000,000 pesos that by virtue of the fact there was some irregularity in the placing of 190,000,000 pesos of indebtedness under the Madero and Huerta administrations—I believe you confined it to the Huerta administration—that a part of that might be repudiated or gotten rid of in some way, might not be a just debt, apparently your testimony tending to show that the actual amount of indebtedness which you found there, reducing it by whatever amount was found not to have been justly obtained or accounted for, would approximate the amount you claim Mexico can carry as a going concern, 550,000,000 pesos. Now, first, why should Mr. Cabrera wire you that the reports in the newspapers were wrong, as you say he has? Why should he do that?

Mr. LILL. I think the papers stated that the Mexican debt was approximately $1,000,000,000.

The CHAIRMAN. But Mr. Cabrera attempts to make the distinction between the $1,000,000,000 and the 1,000,000,000 pesos that we had approximately arrived at here in your testimony.

Mr. LILL. Yes, sir. May I straighten up that $25,000,000 of claims?

The CHAIRMAN. Yes; I wish you would.

Mr. LILL. My statement of the debt which I prepared, as I would for any corporation, and which I think is correct, represents the principal of a debt and accrued interest up to December 31 of 1918, of 865,000,000 pesos. That includes the Huerta debt—the full amount of the Huerta debt, which probably will have to be arbitrated or investigated.

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The difference between 865,000,000 and 1,000,000,000 is due to the interest, probably the interest on the debt from January 1 of this year to June 30 of this year, together with claims and various other things which is a pure guess on the part of the administration down there.

The CHAIRMAN. Now, why should it be a guess? You say that the accounts prior to two or three years before 1910 were irregularly kept and you seem to think that it was harder to get at the accounts back of 1910 than it has been for you to arrive at some conclusion since then. Have the accounts been better kept since 1910 than they were prior to 1907?

Mr. LILL. No: I said, Mr. Senator, that the accounts for the last two or three or four years of Limantour's administration were better kept than they had been before that time.

The CHAIRMAN. From 1910, from the end of Limantour's administration, up to the present time how have they been kept?

Mr. LILL. Well, with the Madero revolution the records were fairly well kept up to June 30, 1912, or possibly 1913. The organization was kept intact. From——

The CHAIRMAN. Right there. Did you find any account of the repayment to the Madero family of something approximating 700,000 pesos out of the treasury?

Mr. LILL. I did not investigate it, Mr. Senator. It was impossible.

The CHAIRMAN. Why was it impossible?

Mr. LILL. That was prior to the date you fixed, and you understand, sir, that I was not down there to investigate things of that nature.

The CHAIRMAN. I was talking about the way the accounts are kept now, and how could you arrive at it? How could you tell anything about it without investigating?

Mr. LILL. When I speak of the records—you asked me what was certain money spent for. Now, the record of what the money has been spent for is a very different proposition from the record of the amount of cash which was received or spent and the debt. Now, it is very often that you get a complete record of what a man owes or what a company owes with a corresponding lack of information of what that money was used for.

The CHAIRMAN. Undoubtedly; but I am trying to arrive at the condition of the accounts you investigated. You had accounts before you which were presented to you, and upon which you arrived at the judgment which you have expressed in your reports.

Mr. LILL. I used the annual reports of the Treasury—the annual budget from 1870 up.

The CHAIRMAN. Yes.

Mr. LILL. As the basis for a good deal of this work. Now, the record regarding the amount of the indebtedness up to, say, June 30, 1911, is complete. The information which I have given you regarding the Huerta debt does not exist on the Government books. I obtained that wholly from the banks.

The CHAIRMAN. What banks?

Mr. LILL. From the Banco Nacional.

The CHAIRMAN. Who was at the head of that bank? Who was managing the business in Mexico?

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Mr. LILL. I can not recall his name now. I know him quite well.

The CHAIRMAN. Did you get it prior to the taking over of the bank by the Carranza government or subsequently?

Mr. LILL. Subsequently.

The CHAIRMAN. Then, you got it from the books which you found there which were taken over by the Carranza officials?

Mr. LILL. No, sir; the bank had been taken over, you might say, in spirit, not physically, because the employees were all down there and the same organization was conducting the bank, although much reduced.

Now, information of that kind it was very difficult to get, because these gentlemen did not know whether the Government desired that information to be known.

The CHAIRMAN. Well, now, this Huerta debt of which you speak, that debt was regularly authorized by the Mexican Government, was it not?

Mr. LILL. That debt, I think, was authorized by the Madero congress.

The CHAIRMAN. At what date?

Mr. LILL. The first Huerta loan was 1913.

The CHAIRMAN. You are speaking of the loan. I am speaking of the authority for the loan. They can not issue bonds down there any more than they can here without some authority. Now, you say that was authorized by the congress. Do you mean the authority was given by the congress for the creation of the debt, or the first loan was obtained under the authority of congress?

Mr. LILL. Authorization was given by congress, as I understand it, for the debt.

The CHAIRMAN. Do you know what date that was?

Mr. LILL. No, sir; I do not know. I have such a large quantity of working papers that I could not bring them all down.

The CHAIRMAN. And that was the debt that was secured by the remaining percentage, approximately 36 per cent, of the import and export debt?

Mr. LILL. Yes, sir; that debt was taken 5 per cent by the Banco Nacional, 45 per cent by the French bankers, 19 per cent by German, 19 per cent by English, and 11 per cent by J. P. Morgan and Kuhn-Loeb.

The CHAIRMAN. What was the date——

Mr. LILL. One minute, sir. That was £6,000,000 when that was taken out. That is the only portion of that loan which was sold for cash.

The CHAIRMAN. Did you trace the bonds at all?

Mr. LILL. Which bonds?

The CHAIRMAN. You say possibly some of this debt which totaled approximately 790,000,000 pesos, might not be a legal debt, and the balance of it might be a legal debt. Now you speak of £6,000,000 of it, which would be approximately $25,000,000—50,000,000 pesos—that this was the portion of it which was disposed of under this percentage system which you just read.

Mr. LILL. That was £6,000,000 which was sold to the bankers at about 90. It realized about 50,000,000 pesos, but 42,000,000 of that was used to clean up the debt of the Madero administration. That

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I think there is no question about. Regarding the disposition of the other bonds——

The CHAIRMAN. Pardon me for a moment. That debt of the Madero administration was secured through a loan based upon those bonds as collateral for the loan prior to the placing of the bonds, was it not?

Mr. LILL. I think not. I think the loan was made in New York and was repaid out of the proceeds of this bond issue. I do not think the bonds were issued at that time.

The CHAIRMAN. All right.

Mr. LILL. Now, regarding the disposition of the balance of those bonds, I have a detailed statement from the manager of the Banco Nacional. You see the Banco Nacional handled the entire bond issue. The bond issue was turned over to them and they issued it upon orders of the government, and the disposition which I just gave to you—or perhaps I have not—I did not have it at that time. Six million pounds was sold abroad; there was £7,000,000 deposited with the national banks in Mexico as collateral for the Huerta loan; there is £1,361,000 that was deposited as a guarantee of the railway interest. I think that is held in New York. And £3,000,000 was given to John W. DeKay, who was the president of the Mexican National Packing Co.

Now, this 7,000,000 of bonds given to the national banks by Huerta —that was when the first attack was made upon the banks—they were required to hold those bonds as part of their cash reserve and to accept these bonds in payment of the loans of bank notes.

The CHAIRMAN. Where are those bonds?

Mr. LILL. The bonds are now held by the national banks of Mexico.

The CHAIRMAN. All right.

Mr. LILL. That is the 7,000,000 pounds which they secured are now held by them, I think, without any diminishment.

Would you like to hear the second loan of 1914 of Mr. Huerta? That was authorized for 20,000,000 pesos, I think; 11,500,000 pesos of that was also deposited in New York for the guarantee of railway interest and 9,000,000 pesos was used to take up the Carbajal bonds.

The CHAIRMAN. Now get back to this $25,000,000 of claims for damages which you estimated in answer to the question of Senator Brandegee. Do you mean to say you suppose in the estimate of President Carranza of approximately 1,000,000,000 pesos as the debt of Mexico that he may have estimated approximately $25,000,000 of damage claims?

Mr. LILL. May I correct that, Senator? I have no information whatever as to what Mr. Carranza estimated. I can only say from Mr. Cabrera's telegram that this 1,000,000,000 pesos includes, I think, an estimate for damages. The $25,000,000 estimate which I gave was merely based upon the past history of Mexico. After every revolution there were claims presented.

The CHAIRMAN. There had not been a revolution in Mexico, though, up until 1910 from 1887, had there? We recognized Diaz in 1878. Diaz's revolution was in 1876. This Government recognized him after he, in accordance with our demands, restored peace and order and quiet along our border, and there has not been a revolution since that time.

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Mr. LILL. No, sir; Diaz went out of office in 1880, did he not, and Gonzalez succeeded him?

The CHAIRMAN. Yes.

Mr. LILL. Then he came back in 1884.

The CHAIRMAN. That is correct. However, the entire era from 1877 or 1878, when this Government recognized Diaz, until 1910 is known as the "Diaz era," because, while Gonzalez was president for four years of that time, it was considered as part of the Diaz administration; that is, historians, and foreigners generally, in speaking of it speak of it as the Diaz administration.

Mr. LILL. There was a threat of revolution against Gonzalez at that time, which Diaz did not consent to.

The CHAIRMAN. No; he did not consent to it. That is the reason it is known as the Diaz administration.

Senator BRANDEGEE. What revolutions were there during the time these claims of which you speak originated, if there was no revolution during Diaz's administration for which any claims were handed in? When did these claims for damages originate?

Mr. LILL. Well, Mexico secured its independence in 1822 or 1823, I think. From that time on up to 1877 there was a revolution about once a year or once every two years and there were claims presented constantly during that period and were being settled.

Senator BRANDEGEE. Are those the claims for damages for which you say somebody has made a possible estimate of $25,000,000?

Mr. LILL. No, sir.

Senator BRANDEGEE. What revolutions——

Mr. LILL. The claims which may be made against the Mexican Government now for damages suffered during this last revolution.

Senator BRANDEGEE. What period of time do you think that covers?

Mr. LILL. That would take up from 1910 to date.

Senator BRANDEGEE. Who is it that has estimated that approximately $25,000,000?

Mr. LILL. I do.

Senator BRANDEGEE. Oh, it is your estimate?

Mr. LILL. Yes, sir.

Senator BRANDEGEE. Upon what is it based?

Mr. LILL. As I say, Senator, it is based on the previous history of the country. Every time there is a revolution they have to get together and settle the claims, and I think $25,000,000 is more—twice, in fact, over any previous amount ever presented.

Senator BRANDEGEE. Well, is it based at all upon damages or of what the damages consisted, or what the parties who sustained the damages are going to claim or prove?

Mr. LILL. It is to a certain extent. In discussing damages the Mexican Government is only liable for damages which—according to international law, damages suffered by residents of States from these bandit chiefs like Villa, Pelaez, Zapata, and Diaz, I do not think can come in as damages. I believe our own Supreme Court has ruled that where a business man goes into a foreign country to do business he does so in the expectation of larger returns on his capital. He takes the risk in going there of loss as well as the chance of larger gain. So that I do not think under international law Mexico is liable for damages caused by these various bandit chiefs. She is liable for damages on account of anything which has happened or has been

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caused by the present Mexican Government, and I will say the Diaz government—I mean the Madero government, and probably also the Huerta government, although Huerta was not recognized by the United States and there is a shadow of a claim there for eliminating damages caused by Huerta.

Now, when you eliminate those features of it the claims against the present Carranza Government will not be as large as people think they are. And I have discussed that with a great many business men down there, notably Conway, I think it is, who represents the bondholders of the Mexican National Railways. That is the company in Mexico which owns the power, the street railways—a very large concern having a capital of $60,000,000. I discussed that matter with him several times and he said he was disposed to take his losses if he could begin business and forget them. And that seems to be the sentiment of every other man in Mexico.

The CHAIRMAN. Who is that who wanted to take his losses and begin business again? Pardon me. I was diverted.

Mr. LILL. Mr. Conway.

The CHAIRMAN. Representing whom?

Mr. LILL. The Mexican Railways.

The CHAIRMAN. The Mexican Railways?

Mr. LILL. Yes.

The CHAIRMAN. Well, who are the Mexican Railways?

Mr. LILL. That is that Canadian corporation. I think Miss Laut, who testified, said that it was a Pearson concern. That is the first I had heard of that. But they own the street railways of Mexico, the light and power companies and street railways in various other parts of the country. I think they are capitalized at about $60,000,000.

Senator BRANDEGEE. Did you attempt to make any list or inventory of claims, or to ascertain who were liable to file claims as a basis for this estimate?

Mr. LILL. No, sir; it is impossible to make any compilation of that kind.

Senator BRANDEGEE. Then what value do you think attaches to your estimate made upon that basis?

Mr. LILL. Well, I do not know that it is particularly up to me to define my value. I am giving you the best information I have and it is up to you to place your own value upon it.

Senator BRANDEGEE. Of course, it is up to me to attach what credibility I have a mind to to your testimoiny.

Mr. LILL. Yes, sir.

Senator BRANDEGEE. But you are saying the debt of Mexico as you estimate it is so much, and in order to know whether to consider that an accurate estimate I want the basis. One item of $25,000,000 you say is your estimate of claims that will be handed in. When I ask you upon what your estimate is based, you say it is based on your theory of international law, that all the damages done by the various bandit chiefs over a period of years are not legitimate claims against the Government of Mexico, and that other claimants you think will waive and not press their claims.

Mr. LILL. The basis for my judgment, however, as I stated, was the study of the claims presented against the Mexican Government since 1823.

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Senator BRANDEGEE. Do you think that is a reliable estimate? I mean to say that your estimate of claims that will be presented against the Mexican Government by other governments and their nationals will be adjudicated in the same way that the past claims were or that they can be estimated by an analogy to the amounts of the past claims?

Mr. LILL. Well, I should say, Senator, that if you made a study of revolutions and the effect of revolutions, that after having seen a number of these settlements for claims you could make a pretty fair estimate of what was going to happen.

Senator BRANDEGEE. Well, you could make an estimate that you might think was fair, but do you think it would be a reliable estimate for anybody to base a financial operation on?

Mr. LILL. Oh, no; no, indeed, sir. I was speaking wholly of an estimate, and I would like to make that very clear. In dealing with the debt I am dealing with actual facts, but not in that matter; that is an estimate.

Senator BRANDEGEE. Your estimate is a fact. A guess may be a fact, although it is a guess. But what I want to know is the reliability of it.

Mr. LILL. Before any financial aid was extended to Mexico the first step toward that aid would be to determine what the amount of those claims were held by the various countries of the world. That is a preliminary step before any financial reorganization of Mexico can be attempted.

Senator BRANDEGEE. The reason I asked these questions at this point is because this committee is directed to ascertain the amount of damages, and that amount is supposed to be the amount in money that is going to be claimed. Have you taken any pains to ascertain what the claims of the nationals of the United States are liable to be against Mexico?

Mr. LILL. No, sir.

Senator BRANDEGEE. You did not consider that an element worthy to be taken into consideration in making your estimates?

Mr. LILL. You understand I was working about 14 hours a day for over a year, doing constructive work in Mexico. I was not particularly interested in that phase of the matter, because I know that Ambassador Fletcher has all that information.

Senator BRANDEGEE. Do you know whether he coincides with your estimate of the amount of American claims?

Mr. LILL. I have no knowledge, sir.

Senator BRANDEGEE. Then you, yourself, do not claim any importance should be attached to that estimate of $25,000,000 of claims?

Mr. LILL. As a basis for——

Senator BRANDEGEE. As a basis for anything, except as a basis for a guess?

Mr. LILL. Except what I think the amount would come to. But I was somewhat interested in these negotiations with the bankers. I started them with Carranza. And certainly as a preliminary to any financial operation or action, the total amount of these claims should be known.

Senator BRANDEGEE. I should think they should be. I should think it would be quite important.

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Mr. LILL. But our conversation developed upon what this excess of 130,000,000 estimated by Mr. Carranza might be, and I was giving you my thought on the matter.

Senator BRANDEGEE. I know. One element of it was the estimate of claims.

Mr. LILL. Yes.

Senator BRANDEGEE. Have you ever heard of any company in this country making any estimate of claim it was intending to present against the Mexican Government for damages sustained?

Mr. LILL. No, sir. I do not recall of any. I know quite a number of the largest mining men there, and I do not know—I never have heard—that they were going to bring any claims.

Senator BRANDEGEE. Did you ever ask any of them if they intended to?

Mr. LILL. Yes; I asked two or three; but they did not know, themselves. They did not think it worth while to present a claim until they knew what the future held in store.

Senator BRANDEGEE. Well, probably waiting to see if there was going to be anybody to present a claim to. But did any of them tell you that they did not intend to present any claims?

Mr. LILL. No.

Senator BRANDEGEE. If I should tell you I have information that a certain American company has a claim for $50,000,000 against the Mexican Government, and say that they can prove it, would that alter your estimate at all?

Mr. LILL. Why, it would alter it considerably. But a claim is not by any means what the Mexican Government has got to pay, you know. In the last international arbitration of which we had charge, I think the claims amounted to 90 per cent over what were finally substantiated.

Senator BRANDEGEE. I am saying, if an American company claims they can prove damages of $50,000,000. I am not saying whether they will get 10 cents on the dollar.

Mr. LILL. I do not think there is any company in Mexico can substantiate a claim of $50,000,000.

Senator BRANDEGEE. That is not what I asked you. I asked you if you knew of any American company—I am not interested in the Mexican claims against their own government; it is the claims of American corporations and business men for damages sustained by Americans that I am interested in.

Mr. LILL. I included that in my answer. That is, I do not believe there is any Mexican company that can substantiate a claim for $50,000,000.

Senator BRANDEGEE. Is that belief based upon any evidence?

Mr. LILL. No, sir.

Senator BRANDEGEE. Have you taken any pains to ascertain what notices have been filed with our State Department as to claims down there by American business concerns?

Mr. LILL. That matter is not a matter which I would go into, Senator. It seems to me it is a matter for the State Department.

Senator BRANDEGEE. You might say yes or no, whether or not you had taken any pains to ascertain what claims had been filed with the State Department.

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Mr. LILL. If you ask me whether I have taken any pains to investigate it would infer I was derelict in my work if I did not.

Senator BRANDEGEE. I did not infer anything.

Mr. LILL. Well, the record would infer it.

Senator BRANDEGEE. I asked you if you had taken any pains to ascertain from the State Department what claims had been presented by American business concerns.

Mr. LILL. No, sir.

Senator BRANDEGEE. What was the amount you refered to as the Huerta debt?

Mr. LILL. Shall I proceed?

Senator BRANDEGEE. Yes; I was waiting for you.

Mr. LILL. The Huerta debt consists of 6 per cent treasury bonds of 1913 amounting to 166,000,000 pesos, and the 6 per cent treasury bonds of 1914 amounting to 21,000,000 pesos against which there are 60,000,000 pesos accrued interest.

Senator BRANDEGEE. Well, during what period of time was that debt incurred?

Mr. LILL. The large debt was incurred in 1913; the next one was incurred in 1914.

Senator BRANDEGEE. The Huerta debt you mean was strictly limited to the time when Huerta was in power?

Mr. LILL. Yes, sir.

The CHAIRMAN. Pardon me just a moment.

Senator BRANDEGEE. Certainly.

The CHAIRMAN. The Huerta debt of which he speaks, this first debt, was authorized during the Madero administration. Madero borrowed money in New York. He has testified that 42,000,000 pesos was repaid out of the final sale which was made by Huerta, of these Huerta bonds to cover the Madero debt in New York, so it is generally known as the Madero-Huerta debt.

Senator BRANDEGEE. Do you agree with that explanation?

Mr. LILL. I do not think I can, because the debt is known all through Mexico and is termed by everybody the "Huerta debt," the "debt of the usurper."

The CHAIRMAN. Very well. Do you agree with the statement I have made that you have testified that these bonds were issued by the Madero Congress?

Mr. LILL. The 6 per cent bonds of 1913 were authorized by the Madero Congress.

The CHAIRMAN. And that 6,000,000 pounds were offered and sold?

Mr. LILL. Yes, sir.

The CHAIRMAN. By Morgan here and by French and other bankers?

Mr. LILL. Yes, sir.

The CHAIRMAN. And that of the proceeds of this sale a portion approximating 42,000,000 pesos was applied on the payment of the Madero debt.

Mr. LILL. Yes, sir; that is correct.

The CHAIRMAN. That is the statement I made.

Mr. LILL. But hitching it up as Madero-Huerta debt, the point that I am seeking to make here is that that part of the debt I think is legitimate, but as to the 100,000,000 pesos which was issued by Huerta afterwards, a large part of that was tinged with fraud and

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the Mexican Government does not repudiate that in any way, but it wants to make an investigation to determine what part of it it should pay, and I certainly would be in favor of that investigation.

Senator BRANDEGEE. Is there not a question about other portions of the Mexican debt being tinged with fraud?

Mr. LILL. Not in that sense, sir.

Senator BRANDEGEE. What sense do you mean?

Mr. LILL. Well, fraud may have occurred in the issues of debt prior to 1910, but it has nothing to do with what Mexico has to pay at the present time. Since 1910 I do not know of any fraud except in connection with those two loans.

Senator BRANDEGEE. All these questions as to the validity of the bond issues to secure debts and whether they were issued fraudulently or whether they are binding upon the Government are not questions so much of expert accounting, are they, as they are questions of law?

Mr. LILL. Yes, sir.

Senator BRANDEGEE. Questions of law?

Mr. LILL. Yes, sir.

Senator BRANDEGEE. And have you taken reliable legal advice to base your opinion as to whether there was fraud in connection with any of these issues or not?

Mr. LILL. I have not charged fraud, Senator. I simply say from my investigation it appears that there was fraud, and my recommendation is that there should be an investigation to determine it before a decision.

Senator BRANDEGEE. You say you do not charge fraud but you say a large portion of it is tinged with fraud and you suspect fraud, but you do not consider you have the evidence to prove it or that it is your duty to prove it, is that right?

Mr. LILL. Yes, sir.

Senator BRANDEGEE. Why are these different portions of debt estimated sometimes in pesos, sometimes in dollars, and sometimes in pounds?

Mr. LILL. Well, the French debt is stated that way. The earlier debt was——

Senator BRANDEGEE. Is it carried that way on the Mexican books?

Mr. LILL. Yes, sir.

Senator BRANDEGEE. So that this 6,000,000 pounds would be 60,000,000 pesos in round numbers, would it not?

Mr. LILL. In round numbers.

Senator BRANDEGEE. How large a force of——

Mr. LILL. That illustrates the difficulty we had in the debt, the different ratios at which this all had to be computed.

Senator BRANDEGEE. As shown by the blue print to which you have just pointed?

Mr. LILL. Yes, sir.

Senator BRANDEGEE. How large a force of assistants, expert accountants, and examiners did you have with you in Mexico?

Mr. LILL. I had——

Senator BRANDEGEE. I do not mean to be exact.

Mr. LILL. Well, Prof. Kemmerer, of Princeton, on currency; Prof. Chandler, of Columbia, on finance; Prof. Young, of Princeton, on taxation; Mr. Monroe on purchasing; Mr. Oakey on accounting;

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Mr. Gleason on munitions. I had those 6 Americans and about 44 Mexican engineers and accountants.

Senator BRANDEGEE. Did you have any American accountants and bookkeepers and examiners?

Mr. LILL. No, sir.

Senator BRANDEGEE. You have spoken about relying to a certain extent on the annual reports of the Mexican officials or the Government. Did your corps of examiners and bookkeepers and accountants look at the original sources of the information?

Mr. LILL. No, sir.

Senator BRANDEGEE. Or the books in the departments of the Government?

Mr. LILL. No, sir.

Senator BRANDEGEE. Or did you largely rely on the annual reports?

Mr. LILL. I took the annual reports for what I term the historical part of this report on the debt. I sent my men right down to the treasury books, the record of bonds and coupons, to get the information regarding the debt.

Senator BRANDEGEE. If there was a large sum of money, I believe Senator Fall said $700,000, or something like that, as having been paid to the Madero family, do you know whether that was shown on the original Government books as having been paid to that family?

Mr. LILL. Why, I presume it would appear in some way. Whether it would appear as extraordinary expenses or——

Senator BRANDEGEE. I do not mean to ask whether the books would indicate the purpose for which it was paid, but do you know whether it is a fact the Government's account of expenditures indicates that that or any other sum was paid to the Madero family?

Mr. LILL. I do not, sir.

Senator BRANDEGEE. Do you know whether any of your accountants know?

Mr. LILL. I do not, sir.

Senator BRANDEGEE. You personally did not examine any of the Government books, did you?

Mr. LILL. I examined a great many original Government records, Mr. Senator, but not for the purpose of tracing these matters.

Senator BRANDEGEE. Simply for the purpose of correcting errors in their methods and financial system?

Mr. LILL. Well, the principal purpose of our going down there was to reorganize the currency and help put Mexico on her feet. The big problem of Mexico was the fact they were spending a great deal more money than they had coming in. We instituted this budget and, as I explained the other day, we cut the expenditures from 16,500,000 a month to 10,500,000 a month.

The big thing in Mexico was to try to get them to live within their income. The things which we had to do to make that effective were the organization of the controller general under the president, similar to that recommended by Senator McCormick for the United States, and the cleaning up and systematizing of customs and subtreasuries—the internal revenue offices and subtreasuries.

That is a very big job. That was our main job there, to make Mexico live in the future and not to dig into the past.

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Senator BRANDEGEE. I understood that; that is what I supposed, because you were employed, you and your corps of experts, by the Mexican Government.

Mr. LILL. Yes, sir.

Senator BRANDEGEE. To inspect, and to suggest forms for their financial affairs with a view to trying to make receipts equal expenditures, I assume.

You were not then engaged in taking up any frauds that had been perpetuated upon the Government, or tracing where those funds went, legitimately, were you?

Mr. LILL. Prior to June 1, 1917; no, sir. After that time I had a pretty good analysis of the cash.

Senator BRANDEGEE. Were your instructions from the Mexican Government to try to unearth any frauds that might have been perpetuated?

Mr. LILL. No, sir.

Senator BRANDEGEE. Did you make any report upon that?

Mr. LILL. No, sir.

Senator BRANDEGEE. Have you any figures upon that?

Mr. LILL. Upon fraud?

Senator BRANDEGEE. Yes.

Mr. LILL. No, sir.

Senator BRANDEGEE. You say that some of the Huerta money that was tendered was fraudulent?

Mr. LILL. Yes, sir.

Senator BRANDEGEE. How much?

Mr. LILL. That 3,000,000 pounds issued to John W. DeKay.

Senator BRANDEGEE. Did you report that fact to the Mexican Government?

Mr. LILL. No, sir.

Senator BRANDEGEE. No suspicions about it?

Mr. LILL. I did not embody it in any report.

Senator BRANDEGEE. In any annual report?

Mr. LILL. Except this one which I read, to be published within a very short time——

Senator BRANDEGEE. Did you discuss it with any Mexican Government official?

Mr. LILL. I have discussed it——

Senator BRANDEGEE. With whom?

Mr. LILL. Mr. Cabrera, Mr. Rodriquez, and Alberto Pani.

Senator BRANDEGEE. What is that book [indicating]? I do not care to see it; I wanted it to go into the record.

Mr. LILL. It is "The History and Present State of the Public Debt of Mexico," by Thomas R. Lill. This is my original report.

Senator BRANDEGEE. To the Mexican Government?

Mr. LILL. No, sir; this is the report which we are issuing.

Senator BRANDEGEE. Issuing to whom?

Mr. LILL. To the public, for the information of banks and bankers.

Senator BRANDEGEE. To the public in this country or in Mexico?

Mr. LILL. To the public in this country and in Mexico.

Senator BRANDEGEE. In issuing it to the bankers of the United States, who employs you?

Mr. LILL. I was employed by the Mexican Government up to May or June, 1918. From October to the end of December, 1918,

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I was engaged by the American Metal Co. to go down and do some professional work for them, and it was in connection with that work that I started this report.

The CHAIRMAN. In connection with which work?

Mr. LILL. In connection with my work for the American Metal Co. I then spent two or three months longer, the early part of this year, on this work, and that work is charged against the Mexican Government direct.

Senator BRANDEGEE. Are you in anybody's employ with reference to these financial matters?

Mr. LILL. No, sir. I am now consulting accountant for the United States Government, and my only connection with Mexican matters is that I originated the financial discussion, proposed the plan of reorganization with Mr. Carranza, and that was followed by Mr. Nieto coming up to see Mr. Morgan. Nieto was the secretary of finance. To that extent I am interested, but I am not in the Mexican pay or anybody else's pay, except as it happens in the United States Government at the present time. I have no interest whatever in this testimony, except as an American citizen. It was never intimated to me in any way that I should testify, never even suggested to me. I do not believe it was even thought of by any Mexican.

Senator BRANDEGEE. You appeared here at your own request, did you or were you summoned?

Mr. LILL. I wrote a letter; yes, sir.

The CHAIRMAN. Let us straighten that out now. Dr. Inman testified in answer to a question by the chairman that he had heard of one man who had requested to appear before this committee and who had not been accorded the privilege, and he mentioned your name as that of the gentleman who had requested to appear before the committee and who had not heard from the committee or been accorded the privilege of being heard. Dr. Inman was mistaken in that, was he not?

Mr. LILL. Yes, sir. I wrote a letter to the subcommittee of the House which was investigating Mexican affairs requesting permission to appear, but was not heard. That had no reference to this committee.

The CHAIRMAN. As soon as Dr. Inman's testimony was given to this committee you were notified that the committee would hear you at any time you desired, and you came over and consulted with me and then wrote a letter to this committee requesting that you might give this testimony?

Mr. LILL. Yes, sir. You were getting such a lot of misinformation, Senator, that I did not think it would do any harm to give you a little real information.

Senator BRANDEGEE. I have here a letter dated September 15, 1919, signed by Thomas R. Lill, on the stationery of Searle & Nicholson, certified public accountants, 52 Broadway, New York. It is addressed "Chairman, Subcommittee on Mexican Affairs, Committee on Foreign Relations, Senate Office Building, Washington, D. C." The concluding paragraph says:

> If you desire me to testify, I request that you give me sufficient notice so that I may procure my papers from New York.

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(The letter referred to was marked "Lill Exhibit No. 1," and is as follows:)

SEARLE & NICHOLSON,
New York, September 15, 1919.

CHAIRMAN SUBCOMMITTEE ON MEXICAN AFFAIRS,
COMMITTEE ON FOREIGN RELATIONS,
Senate Office Building, Washington, D. C.

DEAR SIR: I have the honor to request that I be permitted to appear before your committee for the purpose of testifying to the progress made by the Carranza Government in establishing law and order since it assumed office in May, 1917.

My information was gained while acting as chief accountant and acting director of President Carranza's financial and administrative reorganization commission from May 1917, to June 1918, and during a visit to Mexico covering the period from October, 1918, to January, 1919, for the purpose of discussing certain matters with the Mexican Government.

The commission consisted of the following Mexican members:

Luis Cabrera, chairman.

Alberto Pani, secretary of commerce, labor, and industry.

Manuel Rodriquez y Gutierez, secretary of communications and public works.

Rafael Nieto, acting secretary of the treasury.

The commission employed about 40 specialists, engineers, accountants, and clerks, and, in addition to reorganizing the business methods of the Government to bring them up to date, made studies of banks and banking, currency, taxation, railroads, commerce, petroleum, etc.

If you desire me to testify, I request that you give me sufficient notice so that I may procure my papers from New York.

Very truly yours,

(Signed) THOMAS R. LILL.

Address: Raleigh Hotel, Washington, D. C.

The CHAIRMAN. That is a letter that you wrote after you had seen me and told me that Dr. Inman was mistaken; that you had not written to this committee but had written to the House committee?

Mr. LILL. Yes, sir.

The CHAIRMAN. In this letter, in the first paragraph, you say:

I have the honor to request that I be permitted to appear before your committee for the purpose of testifying to the progress made by the Carranza government in establishing law and order since it assumed office in May, 1917.

Mr. LILL. Yes sir. I want to add there, to be clearly understood, that I did not appear at the request of the Government, nor by suggestion or in any way was it intended or asked of me that I should appear here for the Mexican Government. I do it merely as an American citizen, because I think that if we understood Mexican matters better we would get along better.

Does that finish your questions, Senator, I would like to——

The CHAIRMAN. Before you leave——

Senator BRANDEGEE. You would like to what?

Mr. LILL. Make a general statement regarding the Mexican problem, if I may.

Senator BRANDEGEE. I have finished.

The CHAIRMAN. Before you get away from this question of the damages: You say you talked with lawyers about the responsibility of the Mexican Government for payments of damages. Do you know whether the Mexican Government, Mr. Carranza, has by decree or promise made to foreign countries, obligated himself in any way with reference to Mexican damages?

Mr. LILL. No, sir.

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The CHAIRMAN. Naturally, if you are trying to form a guess or make a guess of the amount of damages that might be claimed by nationals of other countries, it seems to me that you would have investigated as to whether any promises had been made by Carranza.

Mr. LILL. I can only say, Senator, that I had such a tremendous amount of work that I could not go into these details, which would lead me into the office of the secretary of state of the Mexican Government with which I did not have much business.

The CHAIRMAN. I want to call your attention, then, for your information, because it may be of interest to you, to the fact that from the city of Monclova, headquarters of the first chief of the Constitutionalist forces on the 10th day of May, 1913, prior to Mr. Carranza's recognition by this Government, either de facto or de jure recognition, that Mr. Carranza did make to this Government and to other governments a pledge as to the payment of damages. Did you not have your attention called to that?

Mr. LILL. I had not, but it was never any other idea of mine but what the Mexican Government would settle all legitimate damages presented.

The CHAIRMAN. You have spoken of damages under international law; and some international lawyers do not agree with you as to the responsibility of the Mexican Government for the damages being limited to the cases to which you have referred.

Mr. LILL. You are a lawyer and I am not.

The CHAIRMAN. Aside from that, the Carranza Government has issued at least four different decrees with reference to its responsibility for damages and how claims should be presented, etc., and it looks as though your attention would have been called by some Mexican to these promises or obligations with reference to the amount of damages and the character of damages which the Government proposes to liquidate.

Mr. LILL. The character of the damages had not been settled. The claims commission was not organized until the latter part of 1918.

The CHAIRMAN. Right here, now, for your information, I propose to read into the record a portion, at least, of this decree of 1913:

Venustiano Carranza, first chief of the constitutionalist forces, and so forth:

ARTICLE 1. The right of all nationals and foreigners to claim payment for damages suffered during the revolution of 1910 or during the period embraced between the 21st of November, 1910, and May 31, 1911, is hereby recognized.

ART. 2. An equal right is also recognized on the part of nationals and foreigners to claim for damages which they suffered during the present struggle, or from and after the 19th day of February of the present year until the restoration of the constitutional order.

ART. 3. The same right on the part of foreigners to claim payment for damages suffered by revolutionary forces or groups during the period embraced between the 31st of May, 1911, and the 18th day of February of the current year, is recognized.

That last clause limits the right of claim to foreigners and not to nationals; but there is an absolute pledge of responsibility for claims for damages without any restrictions at all in this decree, which was in force at the time this Government recognized Carranza and requested the other governments of the world to allow this Government to handle Mexican matters.

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Mr. LILL. I had that decree. I had forgotten it. Does that first paragraph read that they acknowledge——

The CHAIRMAN (reading):

The right of all nationals and foreigners to claim payment for damages suffered during the revolution of 1910 or during the period embraced between the 21st of November, 1910, and May 31, 1911, is hereby recognized.

Mr. LILL. Yes, sir; but how does the right to make a claim obligate anybody to——

The CHAIRMAN. I will show you in a moment. [Continuing reading:]

An equal right is also recognized on the part of nationals and foreigners to claim for damages which they suffered during the present struggle, or from and after the 19th day of February, of the present year—

That is, 1913—

until the restoration of the constitutional order.

Whatever that may be.

On the 24th of December, 1917, in the creation of a commission, there was an undertaking to limit the responsibility for damages. And that is the matter to which you have reference, the first being damages caused by the revoluntionary forces recognized by the Government established after the triumph of the revolution; second, damages caused by the government forces in the campaign against the rebels, and, third, damages caused by forces of the so-called federal army until its dissolution.

There is a vast deal of difference between the two pledges or promises. Carranza was recognized on one of them after we had secured the acquiescence of the foreign countries in our action in Mexico, and after his recognition he then issued his decree upon which you are basing international law.

Mr. LILL. No; I do not base it upon that, Senator. I base it by a very close study of international law, I can say, for about four years, in my services to the United States Government, where I had a good deal to do with construction of law; and to be perfectly frank with you, I got most of my data regarding international relationships from conversations with Ambassador Fletcher. I do not say it is correct. In this report that I have here I have a section——

The CHAIRMAN. I may say to you now, before we go past that proposition, that I think that Ambassador Fletcher never had his attention called to the Carranza decree of 1913 until very recently.

Mr. LILL. With all due respect, Senator—you are a lawyer, I understand, are you not?

The CHAIRMAN. Yes.

Mr. LILL. How does the right, as acknowledged, of foreigners to present claims obligate the Mexican Government to pay claims? I do not understand that.

The CHAIRMAN. Because the Mexican Government pledged it, sir.

Mr. LILL. Pledged itself to pay those claims?

The CHAIRMAN. As to how they would be presented and adjudicated. [Reading from article 4:]

As soon as the first chief of the Constitutionalist forces shall arrive at the Capital of the Republic, and in accordance with the plan of Guadalupe, assumes the executive power, he will name a commission of Mexican citizens who shall be

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charged with the receipt, examination and liquidation of the claim for damages suffered during the periods fixed in articles 1 and 2 of this decree.

ART. 5. At the same time that the said commission is named, as provided in the preceding article, the first Chief of the Constitutionalist forces, in accord with the diplomatic representative of, or commissioner especially designated by, the Governments of foreigners who have suffered damage, will proceed to name a mixed commission composed of an equal number of Mexicans and foreigners, the latter of the same nationality as to the claimants, in order that they may receive, examine and liquidate the claims presented in accordance with the provisions of the three first articles of this decree.

ART. 6. The form, time, terms, and conditions under which the claims for damages are presented are to be paid, also the organization, functions, and other necessary regulations of organization and form, shall be fixed by opportune legislation.

Now, the Government is undertaking to do away with this——

Mr. LILL. I do not think so.

The CHAIRMAN. I know so.

Mr. LILL. Let me ask you with reference to that first decree. That statement is pretty broad that they make there. Would you ask the Mexican Government or any other Government to pay claims arising in Mexico for which it was not responsible?

The CHAIRMAN. For which who were not responsible?

Mr. LILL. The Mexican Government.

The CHAIRMAN. What Mexican Government?

Mr. LILL. The Madero, Huerta, or Carranza Governments.

The CHAIRMAN. Yes. I would ask, when Mr. Carranza was seeking recognition of this Government, seeking aid and assistance in the overthrow of Huerta, making a pledge as to what he would do in the event he was successful, and having secured, too, the assistance of this Government under a certain pledge—I would simply ask him to keep his pledge.

Mr. LILL. I would not go so far as to hold that Mr. Carranza or the present Carranza Government under that pledge should pay all the claims for damages occurring by reason of Villa's activities.

The CHAIRMAN. I am not expressing any opinion. I suppose I ought to say now that Mr. Villa had as much as anyone to do with putting Mr. Carranza in the position in which he now is.

Mr. LILL. I acknowledge that he played a large part in it.

The CHAIRMAN. But so long as he was willing to serve with Mr. Carranza—I do not care to be drawn into the history of this thing—but so long as he stayed with Mr. Carranza, which he did up to the time that Obregon, in command of the army of the north and Villa in command of the army of the northwest, wrote a joint letter to Mr. Carranza demanding of him to carry out the pledge in the plan of Guadalupe—up to that time Mr. Villa was certainly more instrumental in placing Mr. Carranza in the position in which he now is, than anyone else. We will not discuss the question, pro or con, as to why Mr. Villa quit Mr. Carranza; but Mr. Villa claims that he quit him because Mr. Carranza did not follow the pledge which he made in this very decree which I have just read to you, as to what he would do following the plan of Guadalupe. And that is a matter that I do not care to go into at this time. I will go into it later.

So far as the damages are concerned, that is a matter for consideration hereafter, and I am not expressing my opinion at this time. I have a very firm opinion as to what damages Mexico will

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be compelled to pay by the unanimous verdict of the world, but that I do not care to express at this time.

What we were asking you was, as to the basis you had for making your guess that the claims would approximate something like $25,000,000, and that is what caused this discussion. I do not care to go into it any further at this time.

Mr. LILL. May I add, Senator, that in all my discussions with the ministers of Mr. Carranza and with President Carranza himself, I have never received any other intimation but what Mexico would pay all legitimate damages arising in that country.

The CHAIRMAN. As I say, I do not care to go into any controversy or into any discussion of the Calvo doctrine, if you know what it is. I do not think that it will prevail in the matter of the settlement of Mexican claims. It has never been acknowledged by this country yet.

Mr. LILL. The Calvo doctrine?

The CHAIRMAN. Yes, sir. It was absolutely rejected at the Hague tribunal.

Mr. LILL. If you have no further questions, may I add this?

The CHAIRMAN. Go ahead. I will have some further questions after you get through.

Mr. LILL. It seems to me, Senator, that one thing, certainly, ought to come out of this investigation, or should be made apparent, anyway, and that is that it would be to the best interests of the United States to get back of Mexico in a friendly spirit for the purpose of aiding it in its reconstruction plans. At the present time or for the past two or three years, all this constant agitation for intervention is antagonizing the Mexican people against the American people, to our disadvantage. The German, English, and French are not playing that game at all. The biggest prize in the world to-day probably in Mexico, but the question as to who is to assist it in its economic reconstruction is a big one. Who is going to step in with assistance at the right time? Are we going to allow England, Germany, France, or possibly Norway, to do this work which we ought to do or which we should do for our own advantage?

I think that any financing of the Mexican debts will depend a great deal upon the attitude of the United States Government in making a statement of policy to the American bankers as to how far they will go in protecting investments in Mexico or abroad.

We are speaking of a debt and of claims and of things of that nature, constantly, you might say, hounding Mexico to get busy and pay up, when it is a physical impossibility to pay up at this time——

The CHAIRMAN. Just right there: What basis have you for that statement? Who is hounding Mexico to get busy and pay up?

Mr. LILL. Is not this constant intervention talk an effort along those lines?

The CHAIRMAN. I am asking you, and I am not answering.

Mr. LILL. I can not give any further facts than that.

The CHAIRMAN. Has the Government of the United States demanded that Mexico get busy and pay up?

Mr. LILL. Not that I know of.

The CHAIRMAN. Has the French Government or the English Government or the German Government?

Mr. LILL. Not that I know of.

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The CHAIRMAN. Well, then, who has?

Mr. LILL. I do not know whether anyone has except the bondholders.

The CHAIRMAN. Do you know that the bondholders have?

Mr. LILL. I presume they have negotiated a number of times or taken the matter up with the Government——

The CHAIRMAN. With what government?

Mr. LILL. The Mexican Government. I am quite sure the matter has been taken up with the state departments of all foreign governments.

The CHAIRMAN. I have asked you whether or not——

Mr. LILL. I do not know, Senator; I am not in the Government.

The CHAIRMAN. You spoke of the constant hounding of Mexico to pay up. That is all right as a general statement, Mr. Lill, but what is the foundation for it? Suppose that the foreign bondholders have made representations to this Government and to Mexico. If this Government has not made the representations itself to Mexico in demanding payment for the bondholders or otherwise, who is hounding Mexico for payment?

Mr. LILL. It seemed to me that this term properly describes the constant agitation in the United States for intervention. I have read it in the newspapers. That agitation is based upon or points to a number of things. You have just referred to one company having a claim of $50,000,000 in Mexico.

The CHAIRMAN. Senator Brandegee asked you if you had had any intimation that one American company had any such claim.

Mr. LILL. It seems as I read the papers that continual pressure exists through this intervention talk. The point I wish to make is that if we could cease this and get behind Mexico in a friendly spirit probably all the things that we would like to see accomplished down there would be accomplished.

The CHAIRMAN. That is, if we just stopped the newspaper talk about Mexico you think it would be better?

Mr. LILL. The newspaper talk—I do not ask that it be stopped by presidential decree, but if we undertake to help Mexico in its reconstruction policies in a friendly spirit, the newspapers would probably reflect the same spirit. If intervention is decided on I do not believe we could bring peace out of Mexico or restore order very much faster than Mr. Carranza is doing now.

The CHAIRMAN. Oh, well, that may be true. You have said that Germany, Great Britain, and France have not been antagonizing Mexico or have not been insisting upon Mexico doing anything to restore order, etc., and that they have got an advantage of us down there, that they are not antagonizing Mexico, etc. Do you know any reason why they have not been insistent upon the restoration of order in Mexico?

Mr. LILL. I imagine it is because of the attitude of the United States Government on that matter.

The CHAIRMAN. In what respect?

Mr. LILL. I imagine that it is due to an arrangement or an agreement between these countries that the United States will look after the interests of these foreign countries if they do not go into Mexico.

The CHAIRMAN. And if the United States were pressing Mexico for a settlement or for the restoration of order and peace, it would

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be not only representing its own citizens and their desires, but, under your understanding which you have just expressed, it would also be representing the natives of other countries and citizens and the countries themselves, would it not?

Mr. LILL. I would say that it was a very clever method that aroused all the antagonism of the Mexicans against us and they reap the benefit.

The CHAIRMAN. You think that is the case, do you not?

Mr. LILL. I only imagine it, Senator. I have no information on the subject.

The CHAIRMAN. Possibly I may be able to assist you a little there.

The President, in his message to Congress on August 27, 1913, says, among other things:

We are expected by the powers of the world to act as Mexico's nearest friend.

I am happy to say that several of the great governments of the world have given this Government their generous moral support in urging upon the provisional authorities at the City of Mexico the acceptance of our proffered good offices in the spirit in which they were made.

All the world expects us in such circumstances to act as Mexico's nearest friend and intimate adviser.

This consent of mankind to what we are attempting, this attitude of the great nations of the world toward what we may attempt in dealing with this distressed people at our doors, should make us feel the more solemnly bound to go to the utmost length of patience and forbearance in this painful and anxious business.

On October 29, a telegram was sent out from this city, the same year, 1913, specially to the New York Times, emanating, as was claimed, from the Department of State, as follows:

A new and probably more definite Mexican policy is to be initiated by the United States, and pending the disclosure of this program Great Britain, Germany, and France have given assurances that they will take no action.

That a request had been made to the powers to await a proposal regarding Mexico from this Government and that already these three European nations had acceded to the request, was announced late to-day by Secretary Bryan. It is understood that practically every civilized nation had been notified of the purpose of the United States.

There are various other indications of the same character. If it be true that the other natioins have acquiesced in the handling of this matter by the United States, and Mr. Carranza has any power in Mexico by the action of the United States, that is, through recognition, first, as de facto and next, possibly, a de jure recognition, then it is up to the United States to make representations to Mexico with reference to the desires and demands of other nations as well as of our own, is it not?

Mr. LILL. I do not see any objection to that. My only criticism is of the fact that the representations regarding order, if any have been made, or regarding debt—I include that—are not possible of compliance in Mexico at the present time.

The CHAIRMAN. I do not know whether they are or not. You are, however, criticising the actions of the citizens of the United States in antagonizing Mexico while citizens of other countries and the other countries themselves are not doing it. If we are agitating these matters of the settlement of claims and the restoration of law and order down there, we are simply performing a duty which we were obligated to perform by other nations, are we not?

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Mr. LILL. What kind of a duty? A duty because some public officer has entered into agreements of that kind, or a duty which we owe to those other nations?

The CHAIRMAN. Possibly I should not have asked you that question. However, we will let the facts as they stand of record, and as you have acquiesced in them, speak for themselves, that it appears that this Government secured the acquiescence of at least three foreign governments, Great Britain, France, and Germany, late in 1913, in the handling of Mexican affairs by the Government of the United States; that following that, in pursuance of its new policy, Huerta was ousted, Carranza was recognized, and that Carzanza is now the President of Mexico, and Mexico is not paying her debt, nor is Mexico paying damages to foreigners for injuries, so far as we know. Whose duty is it; what nation's duty is it to press for the payment of those claims?

Mr. LILL. If we have any agreement with these countries to press their claims it certainly is our duty to press them; but I do not understand, in your statement there relating to this agreement regarding the recognition of Huerta, why all these foreign governments recognized Huerta when the United States did not, particularly as they were making a loan of £6,000,000——

The CHAIRMAN. The recognition by those foreign nations of Huerta had come prior to August, 1913, Mr. Lill.

Mr. LILL. I do not know, of course, whether they——

The CHAIRMAN. The message which I have read to you is dated August 27, 1913, and the telegram with reference to Mr. Bryan's statement is of October 29, 1913.

Go ahead with your statement. I stopped you there because of the statement you were making that agitation here was antagonizing the people of Mexico against the United States, and as you said Great Britain, France, and other countries were not doing it. That was the purpose of my questions. You may proceed now.

Mr. LILL. I believe they have made representations. I have seen notices to that effect; but, on the other hand, threatening intervention all the time as a corrective for the evils——

The CHAIRMAN. Is this Government threatening intervention?

Mr. LILL. I do not think so. I think Mr. Wilson has gone to the other extreme.

The CHAIRMAN. Very well, then. This Government is not threatening intervention any more than France or Great Britain or any other country.

Mr. LILL. You, yourself, Senator have made quite a number of speeches in the last six or seven years.

The CHAIRMAN. Now, let me say, once and for all, that neither you nor anyone else can point to a speech that I have ever made in the Senate or on the stump, or any place in the United States, with reference to Mexico or intervention in Mexico, except that I have demanded that if it were necessary to protect American citizens in Mexico by the armed forces of the United States, it was our duty to do so. You better look at the speeches, possibly, that I have made, and see whether I have not confined myself to that.

Mr. LILL. I ran across two or three copies the other day, but I did not read them as closely as I should. I am very glad to hear

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that, Senator. I think, as far as that goes, you are echoing the sentiment of a great many others.

The CHAIRMAN. Some of the witnesses appeared to be misinformed as to my attitude in reference to Mexico.

Mr. LILL. Shall I go on, Senator?

The CHAIRMAN. Yes.

Mr. LILL. The point I am trying to make is that here is a great big country to the south of us which has tremendous possibilities along commercial lines, and if our Government can adopt a policy toward investments in foreign countries it would enable our bankers to get behind Mexico; that would be greatly to the advantage of the American business man.

Regarding claims, debts, and things of that kind, let me say that I went out as a soldier in the Spanish-American War. I was for two and three-quarters years actively engaged in a campaign against the Filipinos. I went into the civil government under Gov. Taft and was there for seven years longer. I chased bandits myself, many and many a time, in the Philippines; and it took us about four years with three to four hundred millions of dollars to clean up the bandit situation. We went in there in 1898, and in 1905, when I was district auditor, I remember distinctly having a bandit caught about 100 miles from my main office. There was a thousand pesos offered for his head. They cut off his head and sent it down to the capitol and I was required to pass the voucher upon that bandit's head. I did not know the bandit, but I passed the voucher anyhow. That was in 1906 when we had been there for eight years.

At the time Mr. Carranza started his revolution he only had his fiat currency, and the normal revenues of the country under his jurisdiction. With the beginning of the organized government in May, 1917, and the restoration of order, the revenues began to come in fairly regularly. His revenues for the year ending June 30, 1918, I think it is, or December, amounted to about 130,000,000 pesos, or $65,000,000. If we had had the same problem in the Philippines we never could have done what we did there.

Mexico needs two or three more years to suppress bandits. She needs an army to do so. She needs every cent she can get to support her army. It is impossible for her to begin paying any of her debts at this time.

You said the other day that Mexico was tremendously rich. Everybody knows it is. It is a favorite statement of the Mexicans down there to refer to the national richness of the country which would pay everything; but that is like having a thousand dollars in a bank in Wall Street in 1907 when you could not get carfare to pay your way down town. It is going to take a very strong effort to get that richness out of the soil in Mexico——

The CHAIRMAN. Who gets it out? Who has ever gotten it out of the soil?

Mr. LILL. To a very large extent, foreigners. Mexico wants foreigners. I have discussed it with members of the cabinet, and Mexico would like very much to increase her population 15,000,000 people in the next 15 years. If she can increase her population to that extent she will have money enough to pay all her current operating expenses and do a great many things which she can not do now.

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But the point I want to emphasize is this, Senator: That I was there for years in intimate contact with those men and never did I hear a single expression by anyone which would display an intention of not paying her debts as soon as she possibly could, and paying all damages, in an international court, possibly, under recognized rules of international law assessed against her.

I would like to point out in that connection, Senator, that to a certain extent we are really responsible for that thing down there, through our colleges. The Government is practically a young man's Government, and in every department of the Government I ran against American college graduates. Virginia Carranza, Carranza's daughter, was educated here. Julia Carranza also. Col. Alberto Salinas, in charge of aviation, is an American-college graduate. Gen. Gustavo Salinas is an American-college graduate, as is also Martinez Carranza and Gen. Enriquez, who was after Villa.

The CHAIRMAN. Who?

Mr. LILL. Ignacio Enriquez, who was made governor of Chihuahua.

The CHAIRMAN. How was he made governor of Chihuahua?

Mr. LILL. He was appointed to a vacancy, I understand.

The CHAIRMAN. By whom?

Mr. LILL. Gen. Carranza. He had some trouble with Murguia—I do not understand how it came out—but Enriquez had the right idea. He wanted to know if I could not help him get five or six American bloodhounds to trace Villa.

The CHAIRMAN. You think that was the right idea?

Mr. LILL. There are 2,000 hacendados that grew up with Enriquez. Enriquez is a tall six-footer, full-blooded Mexican. He speaks English perfectly. Just the moment he got to Chihuahua, there would be 2,000 that would drop their shovels and follow him in order to get Villa.

The CHAIRMAN. Why did he not do it?

Mr. LILL. He got into a row with Murguia and came back, and I do not know whether he is up there now or not. Probably you have later information.

Cardenas brothers, in the department of state, are college graduates. Bonillos is a Boston Tech man. Galleio, school of ethnology, Columbia. Echererria, who is an engineer, is now in the United States. Osuna, the governor of Tamaulipas, is a Columbia man. The Government is full of American college graduates.

The CHAIRMAN. I can give you an interesting fact that has possibly never struck you, confirming that.

Mr. LILL. When Carranza started his revolution, practically all these college men went with him. I think it is true that it is a young man's movement down there. The Mexicans themselves are not antagonistic to Americans, that I ever saw. They want foreigners in that country, but where we are not in sympathy with them is in their attempt to regulate their affairs in Mexico so that they will have some control over them.

The greatest curse of Mexico for years has been the fact that foreigners go there and retain their own nationality. They have nothing whatever to do with Mexican affairs. They do not become a part of the country. They take practically every cent out that they make. The United States is just the reverse. It has been pointed

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out to me time after time, "Foreigners come here and settle in our country and do not become a part of our nation." That is a great big thing that Mexico is trying to overcome——

The CHAIRMAN. Hold on there, just a moment. Do you know how many American railroad men there were in Mexico at the outbreak of this revolution?

Mr. LILL. In 1913 or 1910?

The CHAIRMAN. 1910.

Mr. LILL. I do not.

The CHAIRMAN. My reason for asking you that is because you are making a broad statement. Go ahead.

Mr. LILL. I gather your thought that at that time the railroads were operated by Americans to a large extent and they were replaced by Mexicans later on

The CHAIRMAN. Yes, and that, although the Americans owned their homes in Mexico, and that, at the outbreak of this revolution 5,000 Americans in northern States of Mexico in a few localities owned their own homes and were operating there under Mexican laws. The fact that they were not Mexican citizens was because the Mexican Government had invited them in there, extending the privilege of retaining American citizenship and still developing property, even within the prohibited zone.

Mr. LILL. That is true, but——

The CHAIRMAN. There were twelve hundred and fifty-odd children driven out—American children—700 of whom were born in Mexico.

Mr. LILL. At what time?

The CHAIRMAN. In the early part of the revolution—1910.

Mr. LILL. As I recollect it, they were notified by our State Department to get out.

The CHAIRMAN. They were driven out at the muzzle of a gun.

Mr. LILL. Was that under the Madero revolution?

The CHAIRMAN. Yes.

Mr. LILL. I do not think we ought to take an isolated instance like that as an indication of the attitude of the Government.

The CHAIRMAN. No; but you are speaking now, just as I have heard other people speak, of the Americans going down there to make a dollar and then getting out of the country. I am calling your attention actually to people who are Americans and who have gone down there and got homes and have built up the country; built irrigation propositions, by practically their own independent efforts, and have lost all they had—driven out, and have actualy lost all they had. I am not speaking of corporations.

Mr. LILL. Yes; but I can not see that. These same Americans went down there during 26 years prior to the revolution and lived there in peace and comfort and made money. The fact that they were expelled during a revolution would not entirely wrest from my mind the fact that for 26 years they had lived down there peaceably.

The CHAIRMAN. I did not suppose it would. That was suggested as simply an answer to your general broad statement as to Americans going there for the exploitation of Mexico, making money and getting away. You compared that with the conditions existing here in this country. I can show you that identical conditions existed around

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Tampico, Vera Cruz, and from Yucatan to the north, where Americans had gone in there, by far, Mr. Lill, a larger number of Americans who were there in 1910 and who are not there now, but who were individual Americans or little cooperative colonies, not representing any corporations exploiting Mexico, but who had gone in there at the invitation of the Mexican Government, with certain privileges extended to them in that invitation, exactly a similar invitation as that which they have been extending to foreigners of whom you are talking, trying to build up their 15,000,000 of population.

I am simply trying to get you to specify and am calling your attention to specific instances, because you are making exactly the same character of broad statement that we have been hearing ever since the revolution broke out in 1910.

It is for those people that I have spoken in every speech I have made in the United States Senate, because they lost everything in the world they had, including their lives.

Mr. LILL. I have, as far as possible, confined myself to details and facts, I think, you will acknowledge, up to this time. I requested permission to make a very small general statement.

The CHAIRMAN. Certainly, and I am simply asking you about the specific matters regarding which you may be familiar.

Mr. LILL. I would like to impress upon you, sir, however, that that thing is a very real and vital matter to us as a Nation; and if we can get behind Mexico at the present time and help her reorganize her finances, railways, and banks, it is going to be tremendously to our advantage; and it is the only way in which we can help her. You can not possibly help Mexico by demanding that she pay her debt for damages or reorganize this or that, because she has not the money and she will not have the money until the bandit situation is cleaned up. That is all I have to say, Senator, unless you have some further questions.

The CHAIRMAN. I now regret a little that I referred to myself personally a few moments ago, in answer to your suggestion that I might, myself, have been wanting intervention in Mexico. I stated to you that my public speeches would disclose the fact as to what character of intervention I had advocated in Mexico at any time; and, having made reference to my own position, and to the fact that I had introduced a resolution of March 10, 1916, for your information I am going to now read into the record the resolution, and the only one, which I have ever introduced with reference to any class of intervention in Mexico, so that you may understand my ideas with reference to it. This resolution was introduced when the Pershing expedition was in Mexico, when the people of the United States were clamoring for action following the Columbus massacre, which occurred in my State. The purpose of the resolution, I think, will be disclosed by reading it, and I may say if you do not understand it after I read it, that the purpose of it was to limit positively and absolutely the action of the American Government in Mexico. *Intervention was already a fact.* Fourteen thousand troops were supposed to be in Mexico—Mr. Carranza says in contravention of his demands and wishes. For the purpose of limiting the *character* of the intervention—that expedition being there and *intervention being* an *accomplished fact*—I offered this resolution:

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To authorize the President to take the necessary measures for the protection of American citizens and property in Mexico.

Whereas for three years a condition of anarchy has prevailed on and near our borders and particularly within the Republic of Mexico; and

Whereas this Government has exercised the utmost patience and its best efforts through persuasion and representations to assist in restoring order in that unhappy country, and has seen its citizens traveling and doing business in Mexico murdered and outraged and their property destroyed, in violation of their legal rights under the comity of nations and customary and positive international law; and

Whereas this Government has had its flag dishonored and insulted in Mexico, and no reparation made or redress offered; and

Whereas the clear rights of American citizens have been abridged and denied in Mexico, and this Government can not consent to any further abridgement of the rights of American citizens in any respect; and

Whereas this Government is contending for nothing less high and sacred than the rights of humanity, which every government honors itself in respecting, and which no government is justified in resigning on behalf of those under its care and authority: Therefore be it—

I do not know whether there is anything in the preamble that will appear familiar to you, Mr. Lill, or not. I may say to you that this preamble is drawn from the messages of the President of the United States, either with reference to Germany or with reference to Mexico. The words are his, not mine.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President be, and he hereby is, authorized and directed to use the land and naval forces of the United States, and call into service five hundred thousand volunteers:

First. For the purpose of protecting the lives and property of Americans in Mexico, and as a necessary preliminary to such purpose the opening and maintenance of all rail and other lines of communication between the City of Mexico and the seaports of Mexico, as well as with the American border;

Second. For assisting in the prompt establishment of a constitutional government in Mexico and lending same sufficient support to enable the Mexicans themselves to organize and maintain adequate military force with which to disarm all bandits and murderers and restore order and peace.

SEC. 2. That we declare our purpose to be as above set forth, and not to be the acquisition or annexation of territory, the overthrow of laws, customs, or constitution, the making of war upon the Mexican people, or interference with Mexicans in the Government of their country; and we declare our further purpose to be the withdrawal of all our armed forces from Mexican territory immediately upon the accomplishment of the objects herein set forth, and to these ends we invite the cooperation of the Mexican people.

That is the only official action that I have ever even suggested should be taken, with reference to any character of intervention in Mexico; and this resolution was for the purpose of limiting the character of the occupation of any part of Mexican territory, or the character of intervention in Mexico.

The CHAIRMAN. You made up this report in connection with your work for the American Metal Co.?

Mr. LILL. I started it in connection with that.

The CHAIRMAN. Who are the American Metal Co.?

Mr. LILL. That is a point I am very glad you brought up. I did not want to forget that. The American Metal Co. is a company—well, I don't know much about it, except that the alien property custodian appointed three or four members of the board of directors to represent 49 per cent of the capital stock held by Germans.

The CHAIRMAN. Who was the head of it?

Mr. LILL. I do not know, sir.

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The CHAIRMAN. Who was the American commissioner with whom you first went down to Mexico?

Mr. LILL. Henry Bruére. He is vice-president of the American Metal.

The CHAIRMAN. Was the American Metal Co. ever blacklisted in Mexico by this Government?

Mr. LILL. I think not, sir.

The CHAIRMAN. It was blacklisted in Australia, a British possession, was it not?

Mr. LILL. I do not know. I know very little about the American Metal Co. I would much prefer that you would call Mr. Bruére on that. I could only say that during our first visit down there Mr. Bruére was on a leave of absence practically from the company, and I was not paid by Mr. Bruére; I was paid by the Mexican Government, and I was never retained by the American Metal Co. for any business until October, 1918. I went with the manager of the American Metal Co. in Mexico a number of times to see the British representative, and I think once or twice to see the Ambassador on very minor details.

The CHAIRMAN. Do you speak German?

Mr. LILL. No, sir.

The CHAIRMAN. The American Metal Co. was a subsidiary corporation of the German Metallbank and Metallurgische Gesellschaft, of Frankfort, was it not?

Mr. LILL. I do not know, Mr. Fall. I think it was, but I know very little about the American Metal Co. I knew that it was considered to be a German company when I went to Mexico. Before I go any further, Senator, I want to state that I was born in Chicago, Ill. My people——

The CHAIRMAN. I want to say, before you proceed, that no member of this committee has the slightest or remotest idea of——

Mr. LILL. I appreciate that, but I would like to put it in the record.

The CHAIRMAN. Certainly, but I wanted to disavow any reflection upon you.

Mr. LILL. My people were born in England. My father came over to the United States when he was 7 years old. As far back as 1780 that I know of we were English. I enlisted in the American Army in 1899, and served 2¾ years and served 7 years after that in the Philippine Government. I wanted to go to France in this war. I made application to go, but it was represented to me from the State Department, I think, that I could render more effective service to the United States Government by going to Mexico on this work than by going to France.

Now, to get back to the American Metal Co. I never met any member of the company until I conferred with Mr. Bruére about this Mexican work. I met Mr. Loeb, I think. He expressed himself as very greatly interested in the matter and said he would like to see us do something.

The CHAIRMAN. Is that Mr. Loeb of the American Smelting & Refining Co.?

Mr. LILL. No; it is Mr. Loeb of the American Metal Co. I was down there, as I said, a year and a half altogether. I know Mr. Chamberlain, consul general, quite well. During the time that I

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was in Mexico City I conferred with Ambassador Fletcher at least twice a week to keep him advised as to our progress. You will remember I stated that President Wilson had approved our project before we went down, in a conference with Mr. Bruére.

The CHAIRMAN. That was Mr. Bruére of the American Metal Co.?

Mr. LILL. Formerly city chamberlain of New York and vice president of the American Metal. I know that Mr. Chamberlain insisted that all German employees of the company be removed from the service in Mexico, and that was complied with; that is, as far as I know. I was not interested in the American Metal, but I was very much interested to know what might arise out of it, and I was on the watch. I am glad to say—which statement is confirmed by Mr. Palmer in his last article in the Saturday Evening Post—that the American Metal Co. rendered very effective service to the United States Government in the war with Germany. During the time I occupied this position in Mexico I only had two requests.

The CHAIRMAN. Are you referring to Mr. Palmer's statement regarding the American Metal Co. in the United States?

Mr. LILL. In the United States, sir. I had two requests, the only two which I had. One was asking me if I could do something to stop the sale of liquor on the property on one of their mines, and the other request was merely to ask permission to pay the taxes in Mexico City, as they always had done, instead of sending the money up to Chihuahua. At that particular time they put a law into effect that the taxes had to be paid where the property was located, and the decree was gotten out so late there was not time enough to send the money out. Those were the only two things I ever did for the American Metal Co. in Mexico.

The CHAIRMAN. Except to start this report at their request?

Mr. LILL. Well, I went down to make an examination of the books of one of the subsidiary companies, but it was understood that I was to write a report, which was requested by Mr. Cabrera, of the work of the commission. It seemed to me when I got there that the most important matter confronting Mexico was its public debt, and the thing of biggest interest which would come up in the future was its debt; so I turned my attention upon this report.

The CHAIRMAN. In your explanation of the fact that you were not exmployed by the Mexican Government, answering Senator Brandegee, you spoke of this report of yours here, stating that you started in to do the work on this report for the American Metal Co. of the United States, of which Mr. Bruére was the vice president and a member of this commission, with whom you went down there first. Is that correct?

Mr. LILL. Well, there is a slight misstatement there, Senator, as to these reports. I went down and held the position of acting director and chief accountant and a member of the commission.

The CHAIRMAN. I am speaking of this report which you identified in answer to Senator Brandegee's question.

Mr. LILL. The "History and Present State of the Public Debt," I started that while in the pay of the American Metal Co.

The CHAIRMAN. Well, that is the only reason I am asking you about the American Metal Co.

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Mr. LILL. But it was a side issue, Senator. I was engaged to do other work, and I completed it along in February or March of this year, which the Mexican Government will pay for.

The CHAIRMAN. You say you know it to be a fact that the American Metal Co. in Mexico was not blacklisted by the United States?

Mr. LILL. I do not know whether it was or not for a few days and then canceled. I conferred with Mr. Fletcher and Mr. Chamberlain constanly, and there was never any intimation that they were blacklisted or that there was any reason at all for not discussing matters with them if I chose.

The CHAIRMAN. I have here a photostatic copy of the report of the German mother company, giving a list of its companies. I notice in this list, which is in German, the American Metal Co. (Ltd.), New York; the Minerales y Metales Co. of Mexico; and the Australian Metal Co. (Ltd.), of London and Melbourne, etc., the American Metal Co. of New York being one of the subsidiaries. You say it was not blacklisted and you have made the statement here that it had been complimented by the Alien Property Custodian of the United States—that same company.

Mr. LILL. Well, I would not say complimented. He merely stated, I believe, in his last article that the American Metal Co. had rendered rather effective service to the United States Government.

The CHAIRMAN. And I asked you if you know whether it had been blacklisted in Australia.

Mr. LILL. I do not know, sir.

The CHAIRMAN. You never had your attention called to a statement by Premier Hughes, of Australia, which appeared in the New York Times under date of December 29, 1918? He spoke of the great firm of Mertons as an agent of the enemy, and in the course of his remarks he says:

> In America they pushed out another tentacle; there was a company called the American Metal Co. It was a company in which out of 70,000 called-up shares 34,000, or 49 per cent, were held by the Metallgesellschaft at Frankfurt, 27 per cent by Mertons of this place—

That is, of Australia, whom he claims were enemy Germans—

> and the remaining 18 per cent were held mostly by hyphenated Germans, a few being held by bona fide Americans, who were put right in the front of the shop window to deceive the credulous. * * * In Australia we turned them out and we interned their directors.

Mr. LILL. The Australian company, I believe, was the Mertons Co., from what you said. Whatever action was taken in Australia——

The CHAIRMAN. No; it was taken against the Metallgesellschaft. Mertons were their agents, just as Mertons held a part of the stock of the American Metal Co. here, the balance of it being held directly in Germany. The Australian Metal Co. (Ltd.), of London and Melbourne, was the name of the company. It was represented there in Australia by the Mertons, whom Premier Hughes said held a large part of the stock of the American Metal Co. in the United States, and 90 per cent of which, as you have stated, and which he corroborates, was held directly in Germany.

Mr. LILL. Well, the fact that Australia took certain action against the Australian company I could not take as a reason why similar action should have been taken here. I know that Mr. Bruere was in consultation with the State Department week after week. There

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was not a detail of that company's business that was not known by the American Government, and all its action taken by its officers was with the knowledge of the Government.

The Alien Property Custodian appointed three or four directors, very prominent men, and I know from my personal knowledge that Mr. Chamberlain, the consul general in Mexico City, was very active in ridding the company of German employees. The manager of the Compania Minerales was a Mr. Dieffenbach. While a German name, Mr. Dieffenbach was born in Newark. I think he is of the third or fourth generation and he is as good an American as anybody. The assistant manager was Mr. Gadd, an Englishman. That is all I know of the American Metal Co., except to go on record as saying that all the time I was there in a position to be of great assistance to the company I was never requested to do so. Not for the record, but in an executive session, I could go into details with you in regard to matters transacted with the Mexican Government and the American Government, through me, which would probably meet with your approval.

The CHAIRMAN. How is that, sir?

Mr. LILL. I say matters which I can not go into for the record, but I would go into with you in executive session, regarding the matters between the two governments in which I was active and in which Mr. Bruère was active.

The CHAIRMAN. The United States Federal Trade Commission made a report on Mr. Bruère, did it not?

Mr. LILL. Not Mr. Bruère; it was a report on what they call profiteering, which included various officials of the American Metal Co. I was present all one morning at the Federal Trade Commission when this was discussed.

The CHAIRMAN. That report shows—of course, I do not vouch for the truth of it—that Mr. Bruère participated in what the commission calls the "melon cutting" in the business of 1917 of the American Metal Co., which they call a German-owned company, to the extent of $82,810.

Mr. LILL. He is not the only official of the American Metal Co. mentioned, is he? Are there not others?

The CHAIRMAN. Not in that paragraph and I have only extracts from the report. There is a statement to the effect that Mr. Bruère participated to the extent of $82,810. I am simply interested in the portion of the report referring to the company as being German owned, and to Mr. Bruère's activities in connection with that. I refer particularly to the following:

> Until last April, when Mr. Bruère obtained a license to meet with the enemy upon neutral soil abroad and negotiate for the purchase of "control," the Alien Property Custodian held only 49 per cent of the German-owned American Metal Company Limited.

Do you know whether during the time that you were there work was stopped on any of the American Metal Co.'s properties in Mexico?

Mr. LILL. I do not know, sir.

The CHAIRMAN. Do you know where they are situated in Mexico?

Mr. LILL. Yes; I think in Mapimi, just outside Monterey.

The CHAIRMAN. Well, generally, they are all over Mexico; you spoke of paying taxes for their Chihuahua owned properties.

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Mr. LILL. Yes. I do not think they suffered very much down there by reason of having their work stopped, and I encountered some criticism down there against the company by reason of the fact that they had purchased properties during the insurrection or during all the time this trouble was going on, while other companies had shut down. From what I could see down there the buying of these properties, or any profit which they may have made in that way, was because of the fact that they were practically the only people down there who understood the situation and had enough sand to back it up and take a chance. I think it is true that one or two of the men connected with the company knew Carranza when he was a boy.

The CHAIRMAN. When did you leave Mexico?

Mr. LILL. I left Mexico about December 26 or 27, 1918.

The CHAIRMAN. How did you happen to leave that country?

Mr. LILL. I had concluded my work.

The CHAIRMAN. Was the Mexican press taking any interest in your work there?

Mr. LILL. Very little, sir. I think the reason why I had considerable success was in subordinating the American personnel of the commission and putting all these things up through the department so that the men themselves could get credit for it.

The CHAIRMAN. Is the "Excelsior" in Mexico an important paper?

Mr. LILL. It was at the time I was there.

The CHAIRMAN. Has your accounting system been retained in Mexico?

Mr. LILL. I can not tell that. I am in touch with some of my former employees and it has been changed in some minor ways, I understand, but not to its advantage.

The CHAIRMAN. I notice an extract here in the original Spanish from the Excelsior of June 21, 1919. I have the original, and a clipping from the paper and a translation of it. The translation is to the effect that by order of the comptroller's department, the modern accounting system which was installed by American experts will be abandoned, and the old system again used. It is stated that many of the old Government employees have been unable to learn the new accounting system. On the same date it appears that there was an editorial comment to the same effect in the Excelsior.

Mr. LILL. Well, of course, Senator, you place so little reliance upon newspaper reports that you will appreciate what that is worth.

The CHAIRMAN. That is the reason I asked you whether your work was being carried on or whether it had been abandoned.

Mr. LILL. As you know, the papers in Mexico City all back certain people.

The CHAIRMAN. Whom is the Excelsior backing?

Mr. LILL. I presume it is back of Pancho Gonzales, the controller, but about that time I had a letter stating that there had been a series of articles running in opposition to the controller, which also tended to confirm that in a way, saying that the controller had become a slave of routine. I think they ran it about 10 days and

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criticized the controller very severely for not carrying out our recommendations, or loosening up on some of them.

The CHAIRMAN. You have been away from there a year since June?

Mr. LILL. Since January of this year.

The CHAIRMAN. I say, you have been away from there since June of this year?

Mr. LILL. Yes.

The CHAIRMAN. I have extracts from El Universal and Excelsior, showing various matters of interest in connection with the Mexican financial situation, the counterfeiting of stamps, etc.; Mr. Cabrera, for instance, passing upon embezzlements in the month of March, as reported in "Excelsior" of July 15, 1919, stated: "Infractions of the federal stamp law run into the thousands. During the past week, Luis Cabrera, with the assistance of many clerks, passed upon 60,000 of these cases. The stamp laws are regarded as defective in many ways and it is probable that new regulations will be up into effect to prevent the federal government from being defrauded by persons who do not affix the proper amount of stamps provided by law."

There are a great many of the clippings to which I will not call your attention, because they are nearly all of very recent date. I have had them gathered for the purpose of showing the present situation, but as they are subsequent to the date of your leaving Mexico City, I will not direct your attention to them.

Mr. LILL. Well, I sincerely hope that a newspaper paragraph will not be taken as evidence——

The CHAIRMAN. It will be taken as evidence, I think, generally, Mr. Lill, as much as general statements of one who does not know the facts will be taken as a foundation for the ascertainment of facts. For instance, I was questioning you a while ago as to the basis for certain general statements. I have no doubt, of course, that the general conclusions which you may draw, and state here represent your convictions, but they do not constitute proof. There is a great difference between evidence and proof, as you know. You may be entirely sincere in making a general statement, and if your attention is called to specific facts you might ascertain from those facts, if they were established to your satisfaction, that your conclusions were erroneous. Now, the newspaper articles will be treated in exactly the same way. They are evidence; they are not proof. If they are corroborated by other evidence they may go to establish proof.

Mr. LILL. On that basis, Senator, it seems rather unjust to put that paragraph in the record. It is not proof, or even evidence.

The CHAIRMAN. It is evidence just as much as your general statements are evidence. It is not proof.

Mr. LILL. This is not the only government I have worked for. I have done a great many government jobs, and I set out with a hundred per cent ideal and I generally succeed in getting possibly 60 per cent, and after I leave I am satisfied if they retain 20 or 25 per cent. That is about the way it works out in Government work.

The CHAIRMAN. Well, I want to get a little more than 50 per cent, if I possibly can, on an average, in this hearing. You asked

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me a while ago if I am a lawyer. I have been engaged in the practice of law for some years, and I have made it a point in the trial of my cases, just as I have made it a point in all the speeches I have made with reference to Mexico, to base them upon facts which I could prove. My conclusions might be erroneous, but the facts which I have given with reference to Mexico I defy anyone to controvert. I have been talking about Mexican affairs more or less for seven or eight years, and I defy a contradiction of any fact which I have stated with reference to Mexico. My conclusions may not agree with the conclusions of many people, yourself as well as others, and they are also subject to criticism, but when I attempt to give a fact I give a fact which I have investigated and checked up to the very best of my ability before I ever give it publicity.

Mr. LILL. Of course, the statements which I have given you regarding the debt, I presume, are considered as statements of fact?

The CHAIRMAN. In so far as they go, I have no doubt they are statements of fact, and I have no desire to reflect upon anything that you have stated even as a conclusion, or even to intimate that I do not think you are perfectly and entirely sincere. Nor do I suppose that the statement made by Mr. Cabrera with regard to his activities as published in the Excelsior in Mexico City would go uncontradicted if it were not true.

Mr. LILL. There are all kinds of statements down there made all the time. They are not contradicted because they are not important.

The CHAIRMAN. But you have been sitting right here testifying to your conclusions, based upon newspaper statements, made in the United States, to the effect that the citizens of the United States are demanding intervention, and still your information was derived from newspaper stories. In one instance you give credit, and in the other, when Mexican newspapers are cited, you think they should not be given any consideration.

Mr. LILL. Well, what particular purpose is served? Is it the intention or indication that my entire testimony is to be disregarded because the Excelsior made a statement?

The CHAIRMAN. Not at all.

Mr. LILL. That is what effect it has on getting into the record.

The CHAIRMAN. What?

Mr. LILL. An irresponsible paragraph of a Mexican newspaper going into the record. What difference does that make regarding my testimony? I came before you, Senator, as an American citizen giving you the very best information I have. Now I have given it to you.

The CHAIRMAN. Certainly, and we accept it. I asked you when you left Mexico City. You stated when you left there. I also asked you if your system is still in force and effect in Mexico. As I understand you, you have said that in so far as you know it is partly in effect, or has been possibly partly changed.

I then read your statement from a paper which you say is one of the large papers of Mexico City, to the effect that "by order of the comptroller's department, the modern accounting system which was installed in the federal government by American experts, will be abandoned, and the old system again used. It is stated that many of the old government employees have been unable to learn the new accounting system." There is no reflection whatever upon you.

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This was in June of this year, and I asked you whether your system is in effect now, and you, apparently, did not know. There is no conflict between this statement here and the evidence you have given. Of course, there is no reflection upon the weight of your evidence given here. You say you are not in the employ of the Mexican Government; you left there sometime in January or February of this year, I believe, and it is stated by the Mexican press in June that the system that had been installed down there by the American experts is being, or has been abandoned. What conflict is there between that and your testimony?

Mr. LILL. Well, I very seriously doubt whether the statement in the newspaper is true. From what information I get from men who were formerly my subordinates, I am quite sure there were some changes. I recommended some changes myself. As to whether the system has been abandoned, I doubt it very seriously.

The CHAIRMAN. Well, that is a perfectly proper statement for you to make, and the former statement you made when you inquired the purpose of putting this in the record, and intimated that it was to controvert your evidence, was an entirely improper statement. It was not warranted by anything done here, or put in evidence. The statement you are now making is a perfectly proper one. You have been granted all the latitude that you asked, and you have been allowed to make any kind of statement you wished. The only question that has been raised as to any of your statements has been in connection with matters upon which you based your conclusions. I am not attempting to discredit any witnesses coming before this committee.

Mr. LILL. It would not be the first time that a system I have installed had not been carried out in all its details the way I have planned it.

(Thereupon, at 1.30 o'clock p. m., the committee adjourned subject to the call of the chairman.)

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INVESTIGATION OF MEXICAN AFFAIRS

HEARING

BEFORE A

SUBCOMMITTEE OF THE COMMITTEE ON FOREIGN RELATIONS UNITED STATES SENATE

SIXTY-SIXTH CONGRESS

FIRST SESSION

PURSUANT TO

S. Res. 106

DIRECTING THE COMMITTEE ON FOREIGN RELATIONS TO INVESTIGATE THE MATTER OF OUTRAGES ON CITIZENS OF THE UNITED STATES IN MEXICO

PART 4

Printed for the use of the Committee on Foreign Relations

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INVESTIGATION OF MEXICAN AFFAIRS.

SATURDAY, OCTOBER 18, 1919.

UNITED STATES SENATE,
SUBCOMMITTEE ON FOREIGN RELATIONS,
Washington, D. C.

The subcommittee met, pursuant to the call of the chairman, at 12 o'clock noon, in room 128, Senate Office Building, Senator Albert B. Fall presiding.

Present: Senators Fall (chairman) and Smith.

Present also: F. J. Kearful, counsel.

The CHAIRMAN. The committee will come to order.

TESTIMONY OF H. T. OLIVER.

(The witness was duly sworn by the chairman.)

Mr. KEARFUL. State your name, Mr. Oliver.

Mr. OLIVER. H. T. Oliver.

Mr. KEARFUL. Your place of residence?

Mr. OLIVER. Mexico City and New York.

Mr. KEARFUL. What is your profession?

Mr. OLIVER. I am an engineer; graduate of Sheffield Scientific School, Yale University.

Mr. KEARFUL. What is your present occupation?

Mr. OLIVER. President of the Oliver American Trading Co., engaged in mineral export and import business and transportation to and from the United States and points in Mexico, handling explosives and agricultural implements and general merchandise.

Mr. KEARFUL. Are you acquainted with Maj. R. B. Sutton?

Mr. OLIVER. Yes, sir.

Mr. KEARFUL. What is his business?

Mr. OLIVER. He is the president of the American Gun Co.

Mr. KEARFUL. What, if any, arrangements have you and Mr. Sutton recently made to furnish arms and ammunition to the Carranza Government?

Mr. OLIVER. My company has made a contract with the American Gun Co. to purchase 5,000 Mausers for delivery to the Constitutionalist Government of Mexico under license, of course, from the American Government.

Mr. KEARFUL. What sort of license?

Mr. OLIVER. It is a War Trade Board license which was granted September 16 to the Mexican Government for 15,000 guns and 15,000,000 rounds of ammunition.

Senator SMITH. What is the American Gun Co.? Where is it located?

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Mr. OLIVER. It has its main office, or one office, at 149 Broadway, New York City.

Senator SMITH. Where is its manufactory? Are they mere dealers in guns or manufacturers of guns?

Mr. OLIVER. I am not at all acquainted with them excepting they have stated they are assemblers and general dealers.

Mr. KEARFUL. When was this permit granted?

Mr. OLIVER. September 16 this year.

Mr. KEARFUL. Has any change been made since then with reference to the control of exports of munitions to Mexico?

Mr. OLIVER. There has been no official change that I have heard of; but in reference to this license I am informed that the State Department has asked the American Gun Co. not to make this shipment to us. In other words, to hold it up temporarily.

Mr. KEARFUL. From whom do you get that information?

Mr. OLIVER. From Mr. R. B. Sutton in a letter to me dated October 14, I think it is.

Mr. KEARFUL. What further, if any, information have you with reference to the matter of that shipment being taken up with the State Department at that time?

Mr. OLIVER. Mr. Sutton has told me personally, and has also corroborated this by a letter, that he has had the matter up with the State Department, Mr. Lansing, on October 9, and that as a result of the interview Mr. Lansing asked him to hold up the shipment temporarily pending decision from higher authority.

Mr. KEARFUL. Does Mr. Sutton in that letter give the details of the conference that he had in the State Department?

Mr. OLIVER. Yes, sir.

Mr. KEARFUL. Will you read that from the letter, please?

The CHAIRMAN. Are you going to put the letter in the record? If not, I want the stenographer to take it down as you read it; or would you just as soon file it?

Mr. OLIVER. I have no objection at all, as far as I am concerned, to having the whole letter placed in the record.

The CHAIRMAN. Just read the letter, then.

Mr. OLIVER (reading):

OCTOBER 14, 1919.

OLIVER AMERICAN TRADING CO.,
Eagle Pass, Tex.

DEAR MR. OLIVER: Owing to the injury to my hand, the consequent inability to write, and the lack of a stenographer out in the country, I was unable to write Saturday or Sunday.

You will find herewith the permit for the merchandise in question.

I can not express my chagrin over the delay and obstacles that have been temporarily put in the way of making the shipment as promised on our part.

Some months back, when your company entered into negotiations with us in regard to the shipment of guns to Mexico, I personally went to Washington and took the matter up with the State Department in regard to securing a permit.

At that time, to be exact, the first week in February, 1919, I talked with Mr. Frank Polk, the Acting Secretary of State, and Mr. Boaz Long, the Chief of the Bureau of Mexican Affairs. I was at that time informed that if the goods shipped were for the recognized Government of Mexico, if I could show an official order from his excellency, President Carranza, and if our company was protected against loss by the deposit of the purchase price in the United States, that under these conditions the shipment would be favorably considered.

All further negotiations between us have been on the above-mentioned basis—we were acting in good faith that our Government would certainly support and

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consider the Government in Mexico that they had acknowledged, recognized, and previously permitted to obtain goods of such class.

You on your part were most certainly within your rights in the negotiations you carried on with the Carranza government, and no one can for one minute question your good faith or loyalty both to the United States and your clients, the recognized Government of Mexico.

In the month of September just past I was again in Washington to arrange with the Export Division of the War Trade Board for the shipment of rifles to Carranza, it being our understanding and belief that these rifles were most necessary to enable President Carranza to equip his forces so that he could better protect and safeguard the lives and interests of American citizens and property holders in Mexico.

(I had also just previous to this been discussing with Mr. Denegre, the Mexican consul in New York City, the possibility of our obtaining a permit for the Mexican Government to ship from New York to Vera Cruz certain 7-mm. ammunition that they had purchased several years ago and had in storage here.)

After my return to New York we formally entered into a contract with your company for the sale and delivery of 5,000 rifles, and received from your New York manager part payment in advance on the first lot of 1,000.

On September 30, 1919, the entire control, issuance of permits for export, etc., into Mexico passed into the hands of the Secretary of State.

On Tuesday, October 8, I went to Washington for a conference with the Secretary of State, Mr. Lansing, in regard to our making the shipment. That meeting was at 10 o'clock Wednesday morning, October 9, and to which I was accompanied by a United States Senator and a Member of the House of Representatives. Mr. Lansing received us very graciously, but said he desired to have present our American ambassador to Mexico, which said ambassador, Mr. Fletcher, entered from an adjoining room. The policy of the State Department, it appears at the present time, is to refer all matters and action in regard to Mexico to Mr. Fletcher. It being assured that having more or less recently returned from Mexico he should be thoroughly conversant with the situation there and he is kept sojourning in Washington for that valuable reason.

Mr. Fletcher flatly refused to recommend or sanction the shipment of any munitions, rifles, etc., to Carranza. The matter was then argued pro and con for over a half an hour, Mr. Lansing finally deciding that the matter must be held up temporarily pending decision from higher authority. Then I explained at length how there was now ready for shipment 800 guns. That so much had been paid in advance; the expense and outlay that both you and our company had been put to. That, further, there had been definitely arranged through Gen. Barragan, President Carranza's chief of staff, for an escort to be at the border to receive these goods and safeguard their delivery to the capital. That having gone so far, the bad impression that such failure to deliver would create and the loss entailed. Further, that Piedras Negras as a point of entry was positively and securely held by Carranza, that there could not probably be an accident in the delivery of the guns so that they would fall into the hands of bandits, and also I pointed out the successful operation of trains by your company.

In all of this argument I was most ably supported by the gentlemen who accompanied me, and where Mr. Lansing might have permitted the shipment of 800 guns now pending action on the part of the order, Mr. Fletcher effectually stopped the shipment of even this small lot by ridiculing the ability of the Carranza forces to protect the shipment and stating that these guns were more apt to be used against Americans than in safeguarding the lives and interests of Americans now in Mexico; Mr. Fletcher's talk certainly killed all chances of immediate shipment.

I then asked Mr. Lansing if we were definitely prohibited from making the shipment and carrying out our contract, and if we should refund the payment made, tear up the contract, return the order and charge the matter up to profit and loss. Mr. Lansing answered me directly and positively "No," that while we were not permitted to make the shipment immediately as contemplated, that action was merely temporary and that in a short while we would be permitted to make the shipment and delivery across border as now arranged.

Believe me, Mr. Oliver, I do appreciate your embarrassment and position in the matter and most certainly we will not let the matter stop and rest where it is, nor will we let you suffer from any lack of effort on our part.

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While it is not for me to make any prognostications as to political conditions in Washington, it is my belief that the department is merely waiting for a definite statement and decision in regard to these matters from our esteemed President, and I have every hope that the work will be resumed in a very short time and, as the Secretary states, the delay is temporary.

We will keep you advised by telegraph.

Sincerely, yours,

——— ———.

This was sent to me at Eagle Pass because I had intended to leave New York for Eagle Pass, and then I was called back on company business, du Pont business.

Mr. KEARFUL. That was signed by R. B. Sutton?

Mr. OLIVER. Signed by Mr. R. B. Sutton.

Mr. KEARFUL. Do you remember who the United States Senator and Member of the House of Representatives who accompanied Mr. Sutton were?

Mr. OLIVER. I do not. I never asked Mr. Sutton.

Mr. KEARFUL. He speaks of your embarrassment and position in the matter. What embarrassment do you suffer?

Mr. OLIVER. Well, it has placed me in a very embarrassing position because I have informed the Carranza government that we had this license, that we had 800 guns ready to ship, or we would be ready to ship in just a few days as soon as they were packed, and then I had to inform the Carranza government that I am compelled to hold up the shipments.

Mr. KEARFUL. What reason can you give to the Carranza government for that?

Mr. OLIVER. The only reason that I can give the Carranza government is what is contained in this letter, that our Government, or our State Department, has asked us to hold up this shipment, although acknowledging the fact that we had this license issued in good order.

Mr. KEARFUL. Since this letter was written on October 14, do you know what further efforts have been made to induce the State Department to permit the shipment?

Mr. OLIVER. I do not know what further efforts have been made, but I know that Mr. Sutton has been working very hard to endeavor to obtain permission to go ahead with the shipments, at least a part of them.

Mr. KEARFUL. How lately have you spoken to Mr. Sutton about it?

Mr. OLIVER. Just yesterday.

Mr. KEARFUL. What did he say with regard to the success of his efforts?

Mr. OLIVER. He said that there seemed to be no hope of immediate action.

Mr. KEARFUL. And he places the responsibility for that upon statements made by Mr. Fletcher?

Mr. OLIVER. He puts it very frankly right up to Mr. Fletcher. The point is that it is a very——

Mr. KEARFUL. Just a moment. You are doing business in Mexico at the present time?

Mr. OLIVER. Yes, sir; we are operating trains there weekly, continuously, several places throughout the country.

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Mr. KEARFUL. Does your apprehended embarrassment result from the effect it may have upon your business if you are not permitted to keep your contract with Carranza?

Mr. OLIVER. It will certainly reflect very seriously on my good faith and the good faith of our organization, and while I am sure that I can convince the Carranza government that we have done everything in our power to deliver the guns, yet I am embarrassed by the fact that I can not deliver them.

Mr. KEARFUL. What effect would that have upon the feeling of the Mexican Government toward the American Government or toward Americans?

Mr. OLIVER. It will not help any friendly relations. That is my opinion.

The CHAIRMAN. That is all you now have to testify to, is it, Mr. Oliver, at the present moment?

Mr. OLIVER. Yes, sir.

The CHAIRMAN. Very well, sir.

(Whereupon the committee adjourned, subject to the call of the chairman.)

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INVESTIGATION OF MEXICAN AFFAIRS

HEARING

BEFORE A

SUBCOMMITTEE OF THE COMMITTEE ON FOREIGN RELATIONS UNITED STATES SENATE

SIXTY-SIXTH CONGRESS

FIRST SESSION

PURSUANT TO

S. Res. 106

DIRECTING THE COMMITTEE ON FOREIGN RELATIONS TO INVESTIGATE THE MATTER OF OUTRAGES ON CITIZENS OF THE UNITED STATES IN MEXICO

PART 5

Printed for the use of the Committee on Foreign Relations

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1919

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INVESTIGATION OF MEXICAN AFFAIRS.

SATURDAY, NOVEMBER 1, 1919.

UNITED STATES SENATE,
SUBCOMMITTEE ON FOREIGN RELATIONS,
New York, N. Y.

(The following testimony was taken at New York City, November 1, 1919, in pursuance of an order of the subcommittee of the Foreign Relations Committee of the Senate, by Francis J. Kearful, Esq.:)

STATEMENT OF MR. WILLIAM BAIN MITCHELL.

(The witness was duly sworn by Francis J. Kearful, Esq., duly authorized thereto by order of the subcommittee.)

Mr. KEARFUL. State your full name.

Mr. MITCHELL. William Bain Mitchell.

Mr. KEARFUL. What is your occupation?

Mr. MITCHELL. Banker.

Mr. KEARFUL. How long have you lived in Mexico?

Mr. MITCHELL. Twenty-one years.

Mr. KEARFUL. What was your business there?

Mr. MITCHELL. Banker; connected with the Banco de Londres y Mexico.

Mr. KEARFUL. What was your position with that bank?

Mr. MITCHELL. Do you want dates?

Mr. KEARFUL. No; what was your position at the bank?

Mr. MITCHELL. The reason I ask that is because from 1896 to 1898 I was junior; 1898 to 1902 accountant in a branch in Lerdo; 1902 to 1908 manager of branch in Torreon; 1908 to 1917 general manager in the head office at Mexico City.

Mr. KEARFUL. What is the unit of value in the Mexican monetary system?

Mr. MITCHELL. The Mexican peso, gold or silver.

Mr. KEARFUL. Prior to 1905?

Mr. MITCHELL. It was fixed in 1905 by the recommendation of the monetary commission to the Government at 50 cents United States currency at the time that what is termed the gold basis was brought into Mexico. Although the basis of 50 cents United States currency or, to put it in easy language, 2 to 1 (2 pesos to $1 American), was fixed the rate of exchange was really 49.80, which practically was current.

Mr. KEARFUL. How long was that rate of exchange maintained?

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Mr. MITCHELL. From the installation in 1905 this rate, with slight variations, kept up until March, 1913.

Mr. KEARFUL. Just following the fall of Madero.

Mr. MITCHELL. The break occurring immediately after the fall of the Madero government.

Mr. KEARFUL. Did it recover subsequently?

Mr. MITCHELL. Yes; it recovered before September, 1913.

Mr. KEARFUL. When did it finally break without recovery?

Mr. MITCHELL. It broke with no show of recovery in August, 1914.

Mr. KEARFUL. What event occurred at that time?

Mr. MITCHELL. This was brought about by the entrance of the Carranza troops headed by Gen. Obregon, who brought in paper money with him, said paper money having no reserve or legal foundation.

Mr. KEARFUL. What paper money existed up to that time in Mexican finances?

Mr. MITCHELL. The only paper money was the bills or currency of legally established banks operating under charters granted by a duly installed Congress and Senate of the Republic of Mexico or those operating under the banking laws of Mexico which were brought in in the time of Gen. Porfirio Diaz through the advice of his able finance minister, Mr. Limantour.

Mr. KEARFUL. How were those bank notes secured?

Mr. MITCHELL. These bank notes were secured by having reserves in gold or silver.

Mr. KEARFUL. At what rates?

Mr. MITCHELL. $1 in gold and silver to $2, with the exception of two banks.

Mr. KEARFUL. Which two?

Mr. MITCHELL. The Banco Nacional de Mexico and the Banco Nuevo Leon, which had a special charter to issue in the ratio of 3 to 1.

Mr. KEARFUL. When was that ratio of 2 to 1 changed?

Mr. MITCHELL. March 30, 1914.

Mr. KEARFUL. What was the cause of it?

Mr. MITCHELL. At the time that President Huerta required money to help him, as he said, to get funds for the purpose of stamping out the Carranza revolution, and after he had called various meetings of the different bankers in Mexico City, who pointed out to him the fact that if they should advance to him the sums of money he required the credit of the banks and the country would be spoiled, as it was impossible for them to let him have the amounts he demanded seeing that they, owing to the revolution, had been unable to collect the large sums due unto them, were unable to issue more currency. And after consulting with his minister of finance and his cabinet he informed the banks that if they would let him have the amount which he asked for, namely, ₱50,000,000, he would bring in a law—which he did—allowing those banks which could only issue in the ratio of 2 to 1 to issue in the ratio of 3 to 1.

Mr. KEARFUL. What was the quota required from the Banco de Londres, of which you were manager?

Mr. MITCHELL. The full quota of the Banco de Londres was ₱11,500,000, the first ₱3,500,000 having been given as a temporary

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loan, the second ₱8,000,000 being demanded at the time the proposition outlined above was brought out, and even, although the Banco de Londres protested against this high ratio, the board of directors were finally convinced, or obliged, to accept same.

Mr. KEARFUL. Who was the Mexican minister of finance at that time?

Mr. MITCHELL. De la Lama.

Mr. KEARFUL. What occurred when you protested against the quota that was assigned to your bank?

Mr. MITCHELL. When the deponent went to the office of Mr. de la Lama, accompanied by his counsellor at law and pointed out to said Mr. de la Lama, the minister of finance, that it was impossible for the Bank of London to take up such a heavy quota, which was all out of proportion to the amounts allocated to other banks, he was informed that both he and his counsel were under arrest, and that he could not be released until he should call a quorum of the board of directors of his bank to the office where he was being held prisoner to discuss the matter. He got all facilities of telephoning and was able to get the necessary quorum of the board of directors, and after long discussion the board of directors acceded to the desire of the minister of finance or, it might be better said, to the desire of the Government then in power.

Mr. KEARFUL. When that was done you were released, I suppose?

Mr. MITCHELL. Yes; as soon as the board of directors verbally consented to this the deponent and his counsel were allowed to leave in liberty and go to their homes.

Mr. KEARFUL. What benefits, if any, did Huerta and his officials receive from this deal personally, if you know?

Mr. MITCHELL. Although a part of the money which was borrowed from the banks in this arbitrary manner may have been used in paying troops and governmental expenses the deponent is positive that a great part of the money was received by members of the cabinet of Gen. Huerta and by the military officers under him. Soon after the money was lent and some time before the fall of President Huerta the deponent had the opportunity to see that packages of bank notes which had been delivered to the treasury of the Government were returned to the bank of which he was manager with the purpose of buying drafts on Europe in favor of different members of the government of President Huerta. Deponent, however, must admit that in no case did he see a draft bought in favor of Huerta.

Mr. KEARFUL. Generally speaking, how do those operations which you have last mentioned compare with the operations of the Carranza officials subsequently in regard to personal benefits, without going into a description, which we will come to later—were they more or less?

Mr. MITCHELL. I had more opportunity to see and know any operations in which the men around Carranza, the actual President of Mexico, remitted large sums of money to other countries, more especially to the United States, even although they used special agents to endeavor to cover up their operations.

Mr. KEARFUL. In a general way, were those operations larger or smaller than those of the Huerta officials?

Mr. MITCHELL. Much larger.

Mr. KEARFUL. How do they compare?

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Mr. MITCHELL. In comparison the operations of the Huerta officials, which all came at the finish of the Huerta régime, are small compared to those of the Carranza régime, because those of the Carranza régime began their operations immediately after their entry into power.

Mr. KEARFUL. And have they continued it ever since?

Mr. MITCHELL. Until the time deponent left Mexico in 1917 they were being continued, and during a visit he made in June, 1918, he had the opportunity of seeing that they had not terminated.

Mr. KEARFUL. Now, with reference to the revolutionary paper money that was brought in by Gen. Obregon, are you familiar with the different issues of that kind of money by the revolutionary chiefs?

Mr. MITCHELL. Yes.

Mr. KEARFUL. Can you enumerate the different issues by the Carranza revolutionary army?

Mr. MITCHELL. I can enumerate the different issues that were made in Mexico City as well as issues that have been made in the north and which were brought in as legal tender or, as they say in Spanish, de curso forzoso.

Mr. KEARFUL. What were the various issues called that were issued under the authority of Carranza?

Mr. MITCHELL. Before his arrival in Mexico City he had issued different paper and on arrival of his troops in Mexico City they brought two issues with them, one being the issue of Monclova and bills of Chihuahua, the first being denominated by the populace as sabana (or sheets), and the other being dos caras (or two faces).

Mr. KEARFUL. Then what other issues followed those two?

Mr. MITCHELL. In September, 1914, Carranza decreed an interior debt of 130,000,000 pesos and issued paper currency to this denomination, said currency being called Vera Cruz bills.

Mr. KEARFUL. Were those Vera Cruz bills designed to take up any of the previous issues?

Mr. MITCHELL. They were supposedly designed or issued with this object and decrees were published exacting that possessors of the other two currencies mentioned should present their holdings of same to the national treasury so that they might be taken up and canceled. But the holders of said paper were greatly surprised when, on presenting same, which they had received in good faith, and in many cases had been obliged to receive at the point of a gun, they were called falsifications and were destroyed in their presence, the holders receiving nothing in compensation but abuse.

Mr. KEARFUL. What subsequent issue of paper money was issued by Carranza?

Mr. MITCHELL. The 1st of June, 1916, the next issue was made called infalsificables.

Mr. KEARFUL. What was the operation in connection with the issuance of those bills, in connection with the taking up of the Vera Cruz issue?

Mr. MITCHELL. The decrees referring to the issue of this class of paper informed the holders of the Vera Cruz money that they had to present same to the national treasury and receive 1 peso infalsificable for every 10 pesos of the Vera Cruz bills which they held, but

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when presenting the Vera Cruz money in any large quantity they received certificates stating that they would receive payment at the ratio mentioned at stated periods for three years, said periodical payments being made due June 30 and the end of December of each year.

The infalsificable money was issued with a value of 20 cents national gold (Mexican gold), equivalent to 10 cents United States currency.

Mr. KEARFUL. How long was that ratio maintained?

Mr. MITCHELL. This ratio was maintained for about three weeks, during which time the industries and mining companies who required this paper to enable them to pay their laborers had to go to the national treasury and purchase the paper at this price, paying for same with Mexican gold coins in the proportion mentioned or with direct drafts on the United States at the proportion mentioned above, the treasury department, however, being very careful that they only accepted drafts of banks or companies of first-class standing, otherwise certified checks.

Mr. KEARFUL. Do you know the amount of this issue of infalsificables? To offer you a suggestion, Mr. Middleton in his recent book entitled "Industrial Mexico" states that it was nearly 540,000,000 pesos.

Mr. MITCHELL. I was going to jump to 750,000,000. It was supposed to be decreed 500,000,000, but those who were in Mexico City are satisfied that there was about 750,000,000, and the only way they could get any check would be to find the amount that the American Bank Note Co. printed.

Mr. KEARFUL. They were all printed by the American Bank Note Co. of New York?

Mr. MITCHELL. Even although this is difficult, in view of the fact that the bills of 2 pesos and 1 peso were printed in Mexico and the American Bank Note Co. only having printed the bills of 5 pesos or other higher denominations.

Mr. KEARFUL. To what point did the value of this issue fall?

Mr. MITCHELL. The lowest point I can remember is 2½ cents United States currency.

Mr. KEARFUL. For 1 peso?

Mr. MITCHELL. For 1 peso. But while it was still used as a medium of foreign exchange, it became so depreciated that even the workmen employed by the Carranza government, on finding that they could not utilize it to buy a cup of coffee, took all their week's earnings and piled same in a heap and burned it near to the President's palace.

Mr. KEARFUL. Then do I understand you that this issue of bills called infalsificables became practically worthless?

Mr. MITCHELL. That is it. Nobody would have them. And for this reason they had to bring in the decree bringing in gold and silver, the Government first of all having demanded that all taxes, customs duties, and everything should be paid in gold and silver.

Mr. KEARFUL. In addition to these issues that you have mentioned were there any other issues by the various generals operating under Carranza?

Mr. MITCHELL. Yes; there were.

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Mr. KEARFUL. Was any provision made for taking those up in any manner?

Mr. MITCHELL. None at all. The issues of different generals, among which there was an issue called issue of Jalisco by Obregon, were never really recognized by the Carranza government, and the only specimens that the deponent saw were held as curiosities.

In addition to the issues of paper money in Mexico City, as all kinds of small change in silver or copper disappeared, the Carranza government was obliged to issue cardboards called cartones.

Mr. KEARFUL. Representing fractional currency?

Mr. MITCHELL. Representing fractional currency from 5 to 50 cent pieces—5, 10, 20, 25, 50.

Mr. KEARFUL. Do you know the aggregate amount of those issues?

Mr. MITCHELL. No; nobody ever knew.

Mr. KEARFUL. Then, as I understand you, practically all of the issues of paper money by Carranza and his generals, and afterwards by the Carranza government, were all repudiated and became absolutely valueless?

Mr. MITCHELL. Yes; with the exception of the infalsificable.

Mr. KEARFUL. Well, that issue finally became worthless, did it not?

Mr. MITCHELL. It became worthless to the public holding it, but the government, in a spirit of generosity and with the object of withdrawing same from the public, as they stated in the newspapers, promulgated a law obliging taxpayers and customs payers to give 1 peso infalsificable along with 1 peso of Mexican gold on the sums they were paying. They did not, however, reduce in the least the amount of the taxes they had placed as being payable in gold and silver. On the contrary, they seemed to have increased same with the object of withdrawing more of this issue.

Mr. KEARFUL. Upon what class of the people of Mexico did the burden of this repudiation of currency fall?

Mr. MITCHELL. The working classes.

Mr. KEARFUL. How about the small merchants? Did it fall more heavily on them than on the large operators?

Mr. MITCHELL. The minute I say the working class, that is the great part of the population of the country. The small merchant also was heavily oppressed, because he, receiving this paper in good faith in payment for his merchandise, had to accumulate a certain amount before he could purchase exchange to send to get more merchandise, and when the currency was repudiated he was caught with that money, finding his stock depleted and unable to replace it.

Mr. KEARFUL. Did people have to accept this money? This acceptance was enforced as legal tender for all debts, was it not?

Mr. MITCHELL. The acceptance of this money was enforced as legal tender by decrees or laws, and anyone refusing to receive same in payment of debts, even although they could prove that they had given actual gold or silver in the ratio mentioned at the commencement of this deposition, they had to accept the different currencies or suffer the consequence of going to jail and being heavily fined.

Mr. KEARFUL. And the fines that were levied, were they payable in the same currency?

Mr. MITCHELL. No.

Mr. KEARFUL. They had to be paid in gold or silver?

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Mr. MITCHELL. All fines that the deponent knows about were demanded in gold or silver, the officials of the Carranza government in charge of imposing those fines and collecting same laughingly remarking that in collecting fines they required "real money."

Mr. KEARFUL. Was your bank forced to take this money?

Mr. MITCHELL. Yes; heavily.

Mr. KEARFUL. What resistance did you make to it and what occurred when you resisted?

Mr. MITCHELL. The officers of the bank with which I was connected in many cases refused to receive the paper money mentioned and, therefore, had to suffer fines, and on one occasion, in June, 1916, the whole of the board of directors and the principal management of the bank were put in the penitentiary and kept there for five days.

Mr. KEARFUL. Were you acquainted with a German bank in Mexico City at that time?

Mr. MITCHELL. Yes.

Mr. KEARFUL. What was the name of that bank?

Mr. MITCHELL. Sud Americanische Bank.

Mr. KEARFUL. Was that a branch of a banking establishment in Berlin?

Mr. MITCHELL. Yes; the Sud Americanische.

Mr. KEARFUL. Did this bank enjoy any privileges that were withheld from the other banks in these transactions?

Mr. MITCHELL. Yes; this bank in a great many cases was utilized by the finance department of the Carranza government for the purpose of buying back at a lower rate of exchange, from 2¼ to 4 cents, the issue of infalsificables which had been made at the ration of 10 cents American currency in July, 1916. They were also utilized in a transaction to endeavor to get arms and munitions from Chile when the United States Government refused to allow the arms to enter Mexico, and it is a matter of record that with this objection at one time they had $300,000 of United States currency deposited with them.

Mr. KEARFUL. What became of the reserves of gold and silver that were held by the banks of issue?

Mr. MITCHELL. After the Carranza government decreed, September, 1916, that the charters of the banks of issue were nullified and that a committee from the government would enter said banks with the idea of liquidating same and preserving the gold and silver to pay off the obligations of the banks, orders were given these government committees to deliver the funds to the national treasury where said reserves were utilized in paying troops and other governmental expenses, this being commonly or vulgarly called looting.

Mr. KEARFUL. That is known as the looting of the banks in Mexico?

Mr. MITCHELL. Yes.

Mr. KEARFUL. Did this committee undertake to make collections of the assets of these banks?

Mr. MITCHELL. Yes; to be able to liquidate the banks they had to collect the assets of said banks, which consisted in amounts due to the various institutions by their debtors for short-time or long-time loans and as the funds were received from the debtors of the banks the same were taken to the treasury of the nation and utilized for the purposes mentioned above. In fact, the deponent knows that in a great many cases during this liquidation and to permit a liquidating

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committee to get the cash quicker, even the furniture of various banks was sold to the highest bidder, and to his knowledge in a great many cases the highest bidders were employees of the Government and the money thus obtained was used for the purposes mentioned above.

Mr. KEARFUL. These collections were also made in foreign countries, were they not, or attempted to be made?

Mr. MITCHELL. They have not been attempted so far.

Mr. KEARFUL. Have they attempted it here in New York?

Mr. MITCHELL. An attempt has been made in New York since October or November, 1917.

Mr. KEARFUL. Is there a lawsuit now pending in regard to that?

Mr. MITCHELL. There is a lawsuit pending in the courts of New York City for the funds of the Bank of London and Mexico, which were deposited with the Bank of British North America, which was amalgamated with the Bank of Montreal in 1918; but so far, in spite of the representative of the Mexican Government having put an attachment on said funds, he has not got a court decision.

Mr. KEARFUL. What would be the attitude of this Government and the courts of this Government if the Mexican officials should be permitted to recover the assets of the Bank of London in Mexico City?

Mr. MITCHELL. I am not a competent international lawyer to take up this point, but judging things by common sense and by a sense of equity I consider that if the courts of the United States permit such a thing other nations whose subjects are owners of the shares of banks in Mexico would have a good right to claim on the Government of the United States or on the courts of the same that the amounts which they had allowed to be delivered over in this manner should be returned to the legal owners, namely, the shareholders of the banks thus despoiled.

Mr. KEARFUL. Would you regard such action on the part of the courts of this Nation as making those courts party to the looting of the banks?

Mr. MITCHELL. As stated before, from common sense and a sense of equity I should say so.

Mr. KEARFUL. Who was the Mexican minister of finance at the time of the looting of the banks?

Mr. MITCHELL. The minister of finance was Mr. Luis Cabrera, who at various times was absent either with troops or with Mr. Carranza to other points of the Republic or on missions for the Carranza Government, such as the one which he made to the Argentine Republic to the celebrated convention which was held there during the summer of 1918.

Mr. KEARFUL. And who acted in his absence?

Mr. MITCHELL. During his absence Mr. Rafael Nieto, subsecretary of finance, held the title acting minister of finance.

Mr. KEARFUL. At the time of these occurrences did you have any conversation with Luis Cabrera about the injustice of it?

Mr. MITCHELL. Yes.

Mr. KEARFUL. State what he said.

Mr. MITCHELL. In May, 1917, I had a conversation with Mr. Cabrera in the presence of Mr. Nieto and pointed out the fact that the orders of his department were absolutely against the letter of

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the laws signed by Mr. Carranza in regard to conserving the reserves of gold and silver in the banks for the benefit of the creditors, and he cynically replied that "Necessity knows no law and we need the money."

Mr. KEARFUL. Has anything ever been paid by the Carranza Government out of these reserves and moneys collected to the creditors of the banks or its depositors?

Mr. MITCHELL. No.

Mr. KEARFUL. Or its stockholders?

Mr. MITCHELL. Nothing has been paid by them.

Mr. KEARFUL. What has become of the money?

Mr. MITCHELL. As I stated before, it was used to pay troops and other governmental expenses.

Mr. KEARFUL. Do you know whether all of it was used for that purpose?

Mr. MITCHELL. No; I am certain that it was not, because in a great many cases I know that the soldiers had not been paid for months, even at the time the Government was taking enormous amounts out of the vaults of the different banks daily. It was also known that the city policemen were not paid at this time, and I many times have had to take pity on city policemen and give them a meal. School teachers were not paid by it, and by information deponent had from employees even the finance minister's department were often from 15 to 30 days behind in the pay.

Mr. KEARFUL. Do you have any reason to believe that the officials of the Government and the generals and other military officers personally benefited from this money?

Mr. MITCHELL. Yes: and not only am I sure that the generals and other subordinate military officers enjoyed part of this money, but my information, which can be verified from the State Department, is that Mrs. Carranza, the wife of the President, crossed the frontier at Laredo, Tex., with nine cases of gold and silver in October, 1916.

Mr. KEARFUL. Who in Washington can verify this information?

Mr. MITCHELL. Mr. Franklin K. Lane, Secretary of the Interior, who was president of the delegation which treated with the Mexican delegation in Atlantic City and other points in the fall of 1916, has this information, and I understand that he even got that information by telegraph from the inspector of customs in Laredo while he was treating with the Mexican delegates.

Mr. KEARFUL. Is there any other means of checking up that information that you know of?

Mr. MITCHELL. As the deponent during his business career in Mexico had to keep in close touch with officials of the Mexican Government, who were many times owing him favors, he got the first intimation of these cases arriving in New Laredo, on the Mexican side, and made it his special business while passing through Laredo in December, 1916, to investigate to find out whether the information which the Mexican officials had given him (semiofficially) was correct, and was thus able to find out to whom the American officials had reported.

Mr. KEARFUL. Have you heard of the project of the present Mexican Government to establish a single bank of issue with metallic reserves?

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Mr. MITCHELL. Yes; I read of the project.

Mr. KEARFUL. What do you consider the condition upon which the success of that project depends?

Mr. MITCHELL. The only condition upon which that project can succeed is that some foreign institution, more especially one in the United States, where the project has been presented on two or three occasions, should furnish the gold and silver to back the project. So far the Mexican Government has been unable to secure the help of any such foreign institution, and for this reason the bank is not in operation.

Mr. KEARFUL. What is the feeling of New York bankers in regard to lending money to the Carranza Government?

Mr. MITCHELL. In conversations which I have had with various bankers in this city they object and refuse point-blank to lend money to a "bunch of bandits." Another reason why they naturally would not care to give money, which in most all cases has been intrusted to them by the American public, is because up to date they have had no protection nor do they feel that even although they should care to give money to help this struggling nation of Mexico their generosity would have to be upheld in Washington.

Mr. KEARFUL. What sort of protection is it that they would demand before lending money to any Mexican Government at this time?

Mr. MITCHELL. The deponent considers that any group of financiers who were willing to help the Mexican Nation in reconstruction by lending them money would demand primarily that their Government would back them up in asking for a just recompense for the money they should invest, and, secondly, that the financial operations of the Mexican Government to which they would lend this money should be handled by a body of reputable and capable men.

Mr. KEARFUL. What do you mean by that last expression: reputable and capable men?

Mr. MITCHELL. Personally I believe that the handling of funds given to a nation like this should be controlled by foreigners and that any financial group that should agree to advance funds to the Mexican Government would be within their rights in dictating terms that the income and expenditures should pass them, as I believe that if such procedure was established in Mexico as has been done in other countries in which the United States and other nations have intervened there would be no need for any military intervention if the government in the country mentioned knew that their only chance of safety to be allowed to work out their own salvation would be to accept this kind of intervention instead of military intervention.

(Thereupon, at 6 o'clock p. m., on the 1st day of November, 1919, an adjournment was taken until Tuesday, November 4, 1919, at 10 o'clock a. m.)

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INVESTIGATION OF MEXICAN AFFAIRS.

TUESDAY, NOVEMBER 4, 1919.

UNITED STATES SENATE,
SUBCOMMITTEE ON FOREIGN RELATIONS,
New York City.

(The following testimony was taken at New York City, November 4, 1919, by Francis J. Kearful, in pursuance of an order of the subcommittee of the Committee on Foreign Relations of the Senate:)

STATEMENT OF MR. WILLIAM BAIN MITCHELL—Continued.

Mr. KEARFUL. Referring to your last statement on Saturday, assuming that a financial arrangement such as you mentioned should be made with the Carranza Government and afterwards, and perhaps because of it, Carranza should be overthrown by some other chief or group of military leaders who should repudiate the arrangement, what recourse would the financial men have in that event?

Mr. MITCHELL. The recourse the financial men would have in that event would be to get the protection from the Government they would naturally have arranged before they put their money into that country.

Mr. KEARFUL. You mean protection from their own Government?

Mr. MITCHELL. Their own Government.

Mr. KEARFUL. What direction would that protection take, in your opinion?

Mr. MITCHELL. If the new group of revolutionists would not listen to reason, as I am certain they would if they knew any nation that was backing up the financial group meant to force recognition of the arrangement which had been made by an established Government, recognized by the United States, then the nation from which said financiers come would have to, if necessary, back up the claim as is usually done, with arms.

Although this would apparently be armed intervention it would not in anywise mean acquisition of territory but only giving protection to vested interests, which every civilized nation does when its subjects in good faith have advanced money with the object of reconstructing a country which has been in chaos for a good many years.

Mr. KEARFUL. Have you any knowledge of a class of Mexicans who would be in favor of such an arrangement and of such more or less peaceful intervention?

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Mr. MITCHELL. In conversations I have had with a great many Mexicans who look to the good of their country they have all expressed the opinion that this would be one of the best methods of settling the trouble and allowing them to again get back to work to develop their country, which has been impossible for about seven years.

Mr. KEARFUL. Is there any feeling among them that this would be the only salvation for Mexico?

Mr. MITCHELL. A great many Mexicans with whom I have talked softly admit that they are afraid that if something is not done in the way I suggest, finally armed intervention will come in Mexico, and said armed intervention will remain for a number of years.

Mr. KEARFUL. What class of Mexicans do you refer to as entertaining those views?

Mr. MITCHELL. Educated Mexicans.

Mr. KEARFUL. Military men?

Mr. MITCHELL. In some cases, yes.

Mr. KEARFUL. What is the general view of the military men with respect to the pacifying of Mexico or the desirability of pacifying Mexico?

Mr. MITCHELL. Which military men do you mean?

Mr. KEARFUL. I mean the supporters of Carranza.

Mr. MITCHELL. My personal opinion is that the majority of military men that have supported Carranza and are still supporting him do not wish the state of turmoil to cease, because if such happened a great part of their income would stop, as is known and has even been pointed out in the newspapers that back up or are in favor of Mr. Carranza.

Mr. KEARFUL. You mean the Mexican newspapers?

Mr. MITCHELL. I mean the Mexican newspapers that back up and favor him.

Mr. KEARFUL. Have you heard any expressions from such military men to that effect?

Mr. MITCHELL. Traveling in a Pullman car from Mexico City to Laredo, Tex., I heard two military men express this opinion, one of said military men being on his way to Tampico.

Mr. KEARFUL. In a statement made and signed by you on July 22, 1919, and placed in the record of the hearing before the Committee on Rules of the House of Representatives you stated in reference to this point that you would "like to give the committee some instances of thievery and graft on the part of Carranza's generals and other government officials that have come within my personal knowledge to support this statement." Can you now give some instances of such thievery and graft?

Mr. MITCHELL. Yes. Gen. Murguia, who was and still is one of the generals commanding in the north, had or took possession of all the trains in the district where he was operating, and when any of the farmers in the district where he was operating wished to move their crop to any of the towns or cities where they could realize on same they had to apply to him for empty cars, which he supplied to them at so much per car, he afterwards collecting the freight rate or applying a freight rate which he considered suitable. And it is a well-known fact that neither this freight rate nor the premium for the car was ever turned into the railroad treasury.

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It is also well known that Gen. Dieguez, who was for a time governor in Jalisco and is now operating in the north, was asked for protection by a rancher in whose district he was operating and Gen. Dieguez replied that it was impossible for him to protect this man's crops, but he would buy the crops at a figure about one-third of the value. The rancher at first refused to accept such an offer, pointing out that it meant ruin for him, but on finding that his crops were being lifted by armed men during the night, which armed men he knew were of Diegues's troops, he accepted the offer and Gen. Dieguez had the crops lifted in a very short time by his soldiers and taken away and realized on at very high prices.

There are many more instances of this kind, as I am certain other men who are giving evidence have brought to the notice of the investigating committee.

Gen. Obregon got the privilege from Carranza to be the only exporter of garbanzo (chick pea) from the west coast. The garbanzo crop is a staple article of food in Spain and Cuba and exported to those countries from Mexico. The result of this was that he was able to buy up the crops from the growers at ridiculously low prices, seeing that they were unable to export it, nor could they realize on same in any great extent in the country, the result being that with this privilege or concession he was supposed to have made from a million to a million and a half profit within the last 18 months.

Gen. Pablo Gonzales, associated with other military men, rented from the Comision de Bienes Intervenidos (The Commission for properties of Opponents of the Government taken over and held by the Government) the properties belonging to the Compania Agricola de Xico, said company practically belonging to a wealthy Spaniard by the name of Inigo Noriega, who was a refugee in the United States for a great many years, whose only fault was that he was a great friend of Porfirio Diaz and of many of the leading politicians and judges during the Diaz régime, the supposed rental being 30,000 pesos. The properties referred to usually were able to raise from 80,000 to 100,000 hectolitros of corn (a hectolitro being equivalent to 2.8 bushels). Said crop in normal times would be sold at 10 pesos or $5 United States currency per hectolitro.

One of the men who was associated with Gen. Gonzales told the deponent that he thought Gen. Gonzales and his associates would make half a million dollars profit, more especially as the price of corn, owing to scarcity in the Republic of Mexico, had increased to an abnormal figures, even although hundreds of carloads of said cereal were bought in the United States and taken in to help to supply the needs of the working public in Mexico, as the working classes in said country practically live on the bread made from corn.

Mr. KEARFUL. Do you know John Lind?

Mr. MITCHELL. I met Mr. Lind when he was in Mexico.

Mr. KEARFUL. He was the personal representative of President Wilson who was sent there to investigate conditions during the Huerta régime.

Mr. MITCHELL. Yes.

Mr. KEARFUL. In a pamphlet published by Mr. Lind in December, 1914, on page 22, he makes this statement with reference to the improved prospects of Mexico under Carranza: "The indications are

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promising. The discipline and restraint shown by the victorious constitutional armies and their chiefs were most creditable and encouraging." When was it that the "victorious constitutional armies" entered Mexico City?

Mr. MITCHELL. The first of the Carranza troops entered Mexico City on the 14th day of August, 1914, headed by Gen. Alvaro Obregon, and Mr. Carranza followed into the city a week later.

Mr. KEARFUL. Were you there at that time?

Mr. MITCHELL. I was.

Mr. KEARFUL. Did you have occasion to observe the "discipline and restraint shown by the victorious constitutionalist armies and their chiefs," and what have you to say in regard to the statement that it was "most creditable and encouraging"?

Mr. MITCHELL. As I was present in Mexico City at that time I have to contradict Mr. John Lind in his statement, because practically on the day that the victorious troops entered, the generals in charge of same commenced to occupy dwellings of private individuals, in many cases ordering men to leave so that they could take possession.

This statement I make can be borne out by the report that Mr. Paul Fuller, who was also sent down by Mr. Wilson, made, because he was present in the house of some old Mexican friends when some of the Carranza troops came and ordered those friends out of their own house at midnight.

Gen. Obregon himself occupied the house of Mrs. Braniff, one of the most stately and luxurious houses on the principal avenue of Mexico City, namely, Paseo de la Reforma.

Mr. KEARFUL. Gen. Obregon was in command of the first detachment that entered the city?

Mr. MITCHELL. Yes.

Mr. KEARFUL. What became of the contents of the houses that were occupied by these military officers?

Mr. MITCHELL. In a great many cases the contents of those houses were destroyed or carted away by the military men occupying the houses. The wines which the owners of the houses had in their cellars were consumed in nightly orgies, and in some cases which I had the opportunity to observe expensive wines were offered in the streets by soldiers at one peso a bottle of champagne. I had that offered me twice at Café Bach by a man on horseback when I was accompanied by friends.

Mr. KEARFUL. Have you any idea how many houses were thus occupied and looted?

Mr. MITCHELL. About a dozen houses.

Mr. KEARFUL. About a dozen.

Mr. MITCHELL. Yes; among this number being those of Creel, Casasus (two ex-ambassadors to the United States in the Diaz régime), Garcia Requena, both of the houses of the Limantours, the ex-minister of finance under Diaz, and the house of the widow of his brother Julio Limantour, the house of de la Torre, son-in-law of the ex-President Porfirio Diaz, the house of Rincon Gallardo, the chief of Rurales under Porfirio Diaz, who was also with Huerta, and other houses the names of which deponent does not remember.

Mr. KEARFUL. Do you recall the house of Pedro Lascurain, Minister of Foreign Relations in the Madero cabinet?

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Mr. MITCHELL. Yes; I remember the house, and that it was occupied by Mrs. Sara P. de Madero, who was ordered out by Gen. Carranza. I do not know who occupied the house after that; but it was later returned to Lascurain, and I understand is not occupied at the present time.

Mr. KEARFUL. What about the taking of automobiles and horses at that time by the military officers?

Mr. MITCHELL. In addition to occupying the houses the military officers, not only generals, but even captains, commandeered automobiles and horses belonging to private individuals, not only of Mexicans but also of foreigners, the deponent having had his automobile commandeered twice, but was able to recover it.

Mr. KEARFUL. You say "commandeered." Does that mean in the majority of cases that they paid for them or accounted for them?

Mr. MITCHELL. They did not pay for them or account for them; nor should I really apply the word "commandeered," because that is only used in legitimate warfare.

Mr. KEARFUL. Then they simply took them.

Mr. MITCHELL. It is a polite way of saying they stole them. The horses of a great many British subjects were stolen and they made complaint to the Chargé d'Affaires in charge of the British Legation, who used every effort to have said horses returned, and even although he got written orders from Carranza to have said horses returned, the military officers who were holding said horses refused pointblank to deliver them, and in many cases used very derogatory language towards their chief for having issued such an order.

Mr. KEARFUL. In a book entitled "Intervention in Mexico," recently published by Samuel Guy Inman, on page 79 it is said:

> Encouraging progress has been made. The forward-looking young men who are engaged in rebuilding the nation along modern lines, although often mistaken in judgment, are working with enthusiasm and devotion to solve Mexico's problems.

What information have you with reference to the correctness of that statement, and what is your opinion about it?

Mr. MITCHELL. Personally, I have not seen anything done for the reconstruction of the country. Until the time I left it in September, 1917, and during a visit of five weeks, made by me in June and July of 1918, I did not see any reconstruction, and I think Mr. Inman has been led away to make such a statement by reading the theories which a great many Mexicans outline in the Mexican newspapers; but theories are quite different from actions.

Mr. KEARFUL. What is your opinion as to what the young men of the military régime that supports Carranza are looking forward to? He called them "forward-looking young men."

Mr. MITCHELL. In conversations which I have had with a few of the younger element in the military class, who practically were students at college when they were induced to join the revolution, I have found a few of them who entered the revolution with the belief that their country would be improved, but after a few years in the service of Carranza they found that their Utopian dreams could not be brought into play.

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Mr. KEARFUL. Mr. Inman also says in his book, on page 170: "I have never been able to understand how some people have maintained that Carranza was plotting a rebellion against Madero, for there was certainly no evidence of it in those days. He retained his loyalty to his chief up until the death of the latter."

What, if anything, do you know about the matter of Carranza plotting a rebellion against Madero?

Mr. MITCHELL. Toward the end of January, 1913, the deponent had to visit the office of the Finance Minister of Mexico during the régime of Madero, said Finance Minister, being Ernesto Madero, uncle of the president, and said Finance Minister told the deponent that Carranza, who was at that time governor of the State of Coahuila, had been requested to account for large sums of money which he had received with the object of establishing state troops, but had not, however, got the troops, although the money had been spent, and on an urgent demand for an accounting being sent to him, he had sent a telegram, which the Finance Minister had just received, threatening to go out in revolt if they insisted on such an accounting, and the Finance Minister, Ernesto Madero, said: "We will have to put this man out of office and see that he is punished if he does not return the money," which apparently he had misspent. The Felix Diaz uprising saved Mr. Carranza in this case, as said uprising started on the 9th day of February, 1913; less than two weeks after the interview mentioned.

Mr. KEARFUL. Did you have any conversation with the Minister of Fomento in Huerta's cabinet with respect to Carranza after the accession of Huerta?

Mr. MITCHELL. Yes.

Mr. KEARFUL. Will you please state what occurred at that time, giving the name of the Minister of Fomento?

Mr. MITCHELL. One evening while the deponent was at home entertaining some friends, about 10 o'clock at night, a rush message was brought to him from the office of the bank informing him that Carranza had started a revolution in Saltillo, and had made a prisoner of the agent of the bank in said city, said agent having been able to get a telegram through before the wires were cut to inform the bank that Carranza demanded ₱50,000 from the bank as ransom. Deponent immediately went out to look for some of the ministers of Huerta's cabinet and was fortunate enough to find Robles Gil, Minister of Fomento, and on showing the telegram which he had to said cabinet minister the latter endeavored to get into communicaton with President Huerta, but was unable to catch him by telephone. However, he was able to talk with Alberto Garcia Granados, Minister of Gobernacion (Minister of the Interior), and the latter expressed his surprise that such a thing could have happened in view of the fact that he had received a message of loyalty to the Huerta Government from Carranza.

Mr. KEARFUL. In Governor Lind's phamphlet before referred to on page 25 he makes the following statement:

"You have heard a great deal about the hostility of the Mexicans against everything American. I found no such hostility except amongst the class who support Huerta."

What have you to say from your observation as to the correctness of this statement about the only hostility which existed being

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amongst the class who supported Huerta? How about Huerta himself?

Mr. MITCHELL. Beginning with Huerta himself I may state that in various conferences at which I was present Huerta expressed himself as very sorry that he was not recognized by the United States Government, and often stated that if he had such a recognition through which he would be able to ask the United States to stop the supply of arms to the Carranza revolutionists he would be able to stamp out the revolution. He, therefore, recognized that the United States was the Nation that he required to be friendly to him. Many of his adherents also expressed themselves that it was a great pity that they should not have this recognition, as they recognized the fact that it would be well for two neighboring countries to live in amity.

Mr. KEARFUL. In the case of Huerta and his supporters did they show a hostile or a friendly attitude toward Americans?

Mr. MITCHELL. Until the landing of the troops in Vera Cruz on the 21st day of April, 1914, they showed friendship in every way, but on this event happening they considered this an aggression, and the result was that Americans did not have a very nice time, so much so that hundreds had to leave the city on special trains under the protection of flags of other nations. Propaganda also started in all the Mexican newspapers against Americans and everything American, some of the articles in said newspapers being scurrilous.

Mr. KEARFUL. In Mr. Inman's book on page 147 he gives as an instance of hostility to Americans "the general order which Huerta gave at the time of our taking Vera Cruz to have all Americans in Mexico arrested. Many outstanding Americans, including our consular officers, were thrown into jail and kept there until released by Carranza authorities."

Is that a true statement or not?

Mr. MITCHELL. That is an absolutely false statement and the falsity of the same can be proved by the records in Washington, as the deponent never heard of any of the American consular officers being thrown into jail, unless it happened in some remote part of the Republic from which news was not received for months and in some cases years.

Mr. KEARFUL. At the time of the taking of Vera Cruz you remember that there was a good deal of excitement and rioters marching in the streets of Mexico City?

Mr. MITCHELL. There was, and attacks on some American stores.

Mr. KEARFUL. Do you remember whether or not Huerta, even under the provocation of the taking of Vera Cruz, took any steps to protect Americans in Mexico City from riotous mobs?

Mr. MITCHELL. I can not say that Huerta personally took the steps, but the governor of the federal district whom Huerta had forced into this position did take steps, and it is a well-known fact that during an attack on an American drug store the governor of the federal district went personally in his automobile, accompanied by one of his aids, and faced the riotous mob with his pistol in his hand, threatening that if any of them should take a step farther in the attack on this American store he would shoot. This action prac-

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tically stamped out the rioting which had been going on for two or three days.

Mr. KEARFUL. Did you know of any Americans who were arrested and kept in jail at that time by the Huerta authorities?

Mr. MITCHELL. No; I do not know of any American in Mexico City who was arrested for being an American. Some may have been arrested for committing a breach of the peace, as has happened occasionally not only with Americans but with citizens of other countries.

Mr. KEARFUL. There was no general order then for the arrest of any Americans as such?

Mr. MITCHELL. I heard of none. The only time I knew of a great many Americans being arrested was after Carranza came in and gave them "article 33."

Mr. KEARFUL. What do you mean by giving them "article 33"?

Mr. MITCHELL. In the constitution of Mexico there is an article 33, which allows the President of said Republic to expel pernicious foreigners without any legal trial. The foreigners thus have no chance to defend themselves.

Mr. KEARFUL. This expulsion of foreigners under article 33 was not purely discretionary with the President under the constitution of 1857, was it? It was put solely at his discretion by the constitution of 1917?

Mr. MITCHELL. Yes.

Mr. KEARFUL. But under the constitution of 1857 they were supposed to have the right to resort to legal proceedings?

Mr. MITCHELL. Yes; but as the Carranza Government declared themselves preconstitutionalists they nullified this and used the terms of the 1917 constitution before it was established.

Mr. KEARFUL. One of the reasons given by Mr. Inman in his book for the hostility that does exist among some Mexicans toward Americans is that the Mexican people have been exploited by foreign capital, especially American capital, for their own benefit and to the detriment of the Mexican people. What can you say about the fact as to whether foreign capital, and especially American capital, has been a detriment or a benefit to Mexico and the Mexican people?

Mr. MITCHELL. I would have to deliberately contradict the statement Mr. Inman makes, because it is a well-known fact, and you will find Mexican workmen in mines and other industries which are operated by foreign capital, that they prefer to work for the foreigner, because they are better treated and get better pay than they get from their own people.

Mr. KEARFUL. Does this apply especially to mines?

Mr. MITCHELL. This not only applies to mines but industries and ranches, and also to the servants in the different households.

Mr. KEARFUL. Is that true of Americans as well as other foreigners?

Mr. MITCHELL. Is it true of Americans as well as of other foreigners? So much so that the Mexicans who employed servants often would complain that the Americans paid the servants far too much money and gave them too much liberty.

Mr. KEARFUL. What about the general benefit or detriment to the whole country through the operations of foreign capital in Mexico?

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Mr. MITCHELL. The presidents previous to Carranza recognized that their country could never be built up unless they could get foreign capital, and for this reason they were extending all kinds of hospitality to investors in Mexico, and concessions, but the said concessions were never monopolies, as has been believed by a great many people in the United States. The need of foreign capital is even recognized by Carranza, who has applied for same on two or three occasions, and has been refused same so far because he wishes to get the capital to fritter away as he has done all the other money that has come into his and his government's hands, without taking any step to pay even the interest on the amounts already invested in said country, their exterior debt, the railroads, etc.

Mr. KEARFUL. What was the condition of the credit of Mexico in reference to its foreign securities during the latter days of Porfirio Diaz?

Mr. MITCHELL. The credit of Mexico was considered about the highest of any Latin-American country, so much so that bonds of the exterior debt were selling in the stock exchanges of London and Paris at a premium of about 5 to 6 per cent.

Mr. KEARFUL. What interest did the bonds draw?

Mr. MITCHELL. The bonds referred to were 5 per cent, and in 1910, before the Madero revolution commenced, Mr. Limantour, who was then finance minister, was in Europe arranging a conversion of said debt to 4 per cent only, and had been successful in arranging for part of this, the financiers in said countries apparently recognizing the credit of the country as so good that they could lower the rate of interest.

Mr. KEARFUL. What amount of cash was left in the Mexican treasury when Porfirio Diaz fell?

Mr. MITCHELL. According to the statement published in the Diario Oficial (the government official daily), Mr. Ernesto Madero, the minister of finance for the Madero government, received from Mr. Limantour, the outgoing minister for the Diaz government, 63,000,000 pesos, and I have no doubt but that a copy of said official paper could be got showing this statement.

Mr. KEARFUL. During the Madero administration was any further Mexican loan secured?

Mr. MITCHELL. Yes; there was a sum of twenty millions received and the congress of the Madero government had voted for a further loan of £20,000,000 or 200,000,000 pesos, but said amount had not been got at the time the Madero government fell, and Huerta, with the authorization given by the congress mentioned, made arrangements and was able to float the first £6,000,000 through a group of French bankers who came to Mexico City specially with this object, said group having an option on the other £14,000,000 for a certain period.

Mr. KEARFUL. What was the security for this loan?

Mr. MITCHELL. The security for this loan was 38 per cent of the customs-house receipts, the other 62 per cent already being pledged for the loans which had been got during the Diaz and other administrations.

Mr. KEARFUL. How much, if any, money was left in the treasury by the Madero administration?

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Mr. MITCHELL. Two or three hundred thousand pesos, as stated also in the official newspapers.

Mr. KEARFUL. Were there any extensive public works in progress at the time of the fall of Porfirio Diaz?

Mr. MITCHELL. Yes; there was the legislative palace and the national theater.

Mr. KEARFUL. What were the conditions of those buildings?

Mr. MITCHELL. The legislative palace had been so far constructed that all the steel work had been set up, and the national theater had been so far built of marble that all that was wanted was roofing, ornamentation, etc., and even the work had gone so far ahead that a celebrated curtain was bought at Tiffany's, New York, and installed.

Mr. KEARFUL. Was anything further done toward the completion of these works after the accession of Madero?

Mr. MITCHELL. Yes; during the Madero Government a further sum was voted to go on with the work and same was continued for a certain length of time.

Mr. KEARFUL. Were these works completed?

Mr. MITCHELL. They have never been completed and I understand that lately an order was given to take even the steel girders, beams, etc., away from the legislative palace so that they might be sold before they had been worn away by rust or oxidation.

Mr. KEARFUL. Have any extensive public works in Mexico been prosecuted since the time of Porfirio Diaz?

Mr. MITCHELL. Practically none.

Mr. KEARFUL. What about the public works that were constructed during the time of Diaz?

Mr. MITCHELL. There were schools, colleges, asylums for insane and for the poor, custom-house buildings, port works, and the big drainage canal through the Valley of Mexico which takes away the flood waters and the sewage from the City of Mexico, a good sewage system having been installed also between 1896 and 1899 by a French firm of contractors. In addition, during the Diaz régime most of the railroads were built.

Mr. KEARFUL. Then, as I understand you, nothing of that kind has been prosecuted since the time of Diaz?

Mr. MITCHELL. No.

Mr. KEARFUL. And what about the condition of the railroads?

Mr. MITCHELL. In what way?

Mr. KEARFUL. About their being kept up or allowed to deteriorate?

Mr. MITCHELL. The railroads all over the Republic of Mexico have deteriorated. So much so that part of the Central Railroad, which was lifted during the revolution, has never been replaced. Bridges also were destroyed, and although temporary ones have been set up to allow traffic, mostly of military trains, to pass, nothing substantial has been built. The rolling stock also has deteriorated and requires renewal, as can be seen by the article written by Mr. Middleton.

Mr. KEARFUL. In Governor Lind's book, before referred to, on page 28, he makes a prediction—this was in December, 1914—he says: "I predict that Mexico will take iron and steel products alone during the ensuing calendar year for more than $1,000,000." Has that prediction been realized? He was referring to the rehabiltation of the railroads.

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Mr. MITCHELL. No; it has not been realized for more reasons than one, the principal reason being that the country has not been sufficiently subdued to allow of the rebuilding of railroads, nor has the Carranza Government ever had the funds to dedicate even one-fourth of this amount to such work, the funds which they have been able to acquire, by fair means or foul, having gone for the governmental expenses to which I referred previously.

Mr. KEARFUL. Mr. Inman in his book on page 136 gives another source of prejudice against Americans to be "the number of Americans who are living in Mexico because they could not live in the United States. We have had a great many Americans who could not explain why they were in Mexico." Do you think that is a fair characterization of Americans generally who have been doing business in Mexico?

Mr. MITCHELL. No; I do not, because the majority of the Americans that you find, not only in the City of Mexico but also all over the Republic of Mexico, are men who were enticed to go to that country to hold better positions than they were holding in their own country, and in a great many cases those Americans who entered the country referred to went as pioneers with the object of establishing American trade, and in a great many cases with the object of educating the people of Mexico. Apparently Mr. Inman got fooled by the joke that the men used to have around the clubs when "kidding" an acquaintance by asking him "what was your name on the other side of the Rio Grande?"

Mr. KEARFUL. How does the character of the Americans doing business in Mexico as you knew them compare with that of Americans in the United States? Are they as good or better, or worse?

Mr. MITCHELL. Among a great many Americans that I met in Mexico I found a great many well educated, energetic business men who would have done as well in business, and perhaps better, in the United States where they would have had real practical workmen, but they preferred in a great many cases to stay on in Mexico to finish the task which they had commenced, namely, to endeavor to show that they could educate Mexican workmen to the stage that they could be as thoroughly depended on as the workmen of the United States.

Mr. KEARFUL. As to the character of these Americans, how does that compare with the character of Americans in this country?

Mr. MITCHELL. It compares favorably, because even although a few untrustworthy Americans were to be found, the majority of the Americans should not be classified with such, because in all countries you will always find a few ne'er-do-wells, and a ne'er-do-well is usually a floater. In fact, I think you will find a larger proportion of the ne'er-do-wells here in the United States than you will find in Mexico.

Mr. KEARFUL. Referring again to the fact that the Secretary of the Interior, Franklin K. Lane, had telegraphic information that certain cases of gold and silver had been passed over the border by Mrs. Carranza, did you hear Secretary Lane make any comments about that and related transactions subsequently in Washington?

Mr. MITCHELL. I heard him state that he brought the fact up to Mr. Cabrera in the conferences which were being held between the delegations of the two nations and that Mr. Cabrera was very much

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hurt at such an insinuation. He was even so much hurt that he had to request the conference to break up for 24 hours so that he could recover his equilibrium.

Mr. KEARFUL. Where did this statement by Secretary Lane occur?

Mr. MITCHELL. In his office.

Mr. KEARFUL. How are the main enterprises of Mexico established and conducted—mining, railroading, mercantile establishments, manufactories, etc.? Are they in the hands of foreigners or Mexicans as a rule?

Mr. MITCHELL. The majority of them are in the hands of foreigners.

Mr. KEARFUL. Is there any large establishment that is owned and controlled by Mexicans?

Mr. MITCHELL. Near Mexico City, yes; there is a shoe factory in Tacubaya which is controlled by Mr. Zetina.

Mr. KEARFUL. Do you know of any other large establishment of any kind?

Mr. MITCHELL. Very few. There are no large industries around Mexico City entirely controlled by Mexicans.

Mr. KEARFUL. Throughout the Republic of Mexico does that same thing hold good, with the exception of haciendas, so far as you know?

Mr. MITCHELL. Yes; the same holds good practically throughout the Republic.

Mr. KEARFUL. What is the principal business street of Mexico City?

Mr. MITCHELL. It is now Avenue Francisco I. Madero.

Mr. KEARFUL. Formerly San Francisco Avenue?

Mr. MITCHELL. Formerly San Francisco Avenue.

Mr. KEARFUL. Is there any large substantial business establishment throughout that entire street that is managed entirely by Mexicans?

Mr. MITCHELL. No; there is not.

Mr. KEARFUL. You have here reports by the board of directors of the Banco de Londres y Mexico in Spanish. Do you have any objection to leaving that with the committee?

Mr. MITCHELL. No.

Mr. KEARFUL. Or to the insertion in the record of any portions of it?

Mr. MITCHELL. No; and I will endeavor to get a copy of this in English, as translations were made, of which translations I received a number of copies and distributed them.

Mr. KEARFUL. Is there any other fact in connection with this investigation that has not been brought out which you think would be of interest to the committee that you would like to state?

Mr. MITCHELL. No; I think I have pretty well covered most of the points.

Mr. KEARFUL. I will suggest that there might be something in reference to German influence upon the Carranza Government.

Mr. MITCHELL. I think I covered this point before the committee in Washington.

Mr. KEARFUL. That was the Rules Committee of the House?

Mr. MITCHELL. Yes.

Mr. KEARFUL. You have no objection, then, to the testimony you gave there being used by the present investigating committee?

Mr. MITCHELL. None at all.

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(The testimony referred to is here printed in full, as follows:)

STATEMENT OF MR. WILLIAM B. MITCHELL, OF NEW YORK CITY, BEFORE THE COMMITTEE ON RULES, HOUSE OF REPRESENTATIVES, TUESDAY, JULY 22, 1919.

The CHAIRMAN. Have you resided in Mexico?

Mr. MITCHELL. Twenty-one years.

The CHAIRMAN. What part of Mexico?

Mr. MITCHELL. Mexico City, Laredo, Torreon, and Durango.

The CHAIRMAN. What is your citizenship, Mr. Mitchell?

Mr. MITCHELL. British, sir.

The CHAIRMAN. Are you acquainted with the attitude of the Mexican people and the Government toward the Americans?

Mr. MITCHELL. Yes, sir; I saw enough of it through the different revolutions.

The CHAIRMAN. You lived there through——

Mr. MITCHELL. I lived there seven years during the revolutions.

The CHAIRMAN. When did you leave Mexico?

Mr. MITCHELL. In September, 1917, and since then I have been back, in July, 1918.

The CHAIRMAN. Tell the committee the attitude of the Mexican people and the Mexican authorities toward the Americans in Mexico City.

Mr. MITCHELL. Do you wish me to go back as far as the old President, sir—President Diaz's time—and commence from then?

The CHAIRMAN. From Diaz's time, and then on down.

Mr. MITCHELL. During the Diaz administration the Americans were always looked well on, so much so that a great many of the political opponents of President Diaz said that he favored the Americans too much. After he was upset the Madero régime treated them very well also. Everything went right until the 21st day of April, 1914, when the United States troops landed in Vera Cruz to stop a shipment of arms—which was never stopped—and also to insist on the honoring of the flag, which has never been given. At that time I saw the American flag torn down and trailed in the gutter. No American could go about with his flag on him. Special trains were taken out with Americans under the British flag. That is well known to the State Department. Four hundred and fifty Americans were taken out on one train. Things calmed down again until after the present Carranza government came in. From the time they came in they were anti-American, and I do not know whether it was for any special reason; but they took the American uniform to put on their type of soldier, because I heard this young gentleman saying that the Carranza officer had on an American uniform. The Mexican Army started to wear a uniform exactly like the American uniform. This was installed by Villa when he was fighting for Carranza, and I think he bought the first uniforms from the United States.

Mr. SNELL. You think, then, Mr. Mitchell, that the leader of this bandit crowd that the young man spoke of was a regular Mexican army officer in a regular uniform?

Mr. MITCHELL. A Carranzista.

Mr. SNELL. But appeared like a United States uniform?

Mr. MITCHELL. Absolutely. All the men in Mexico can tell you that when you go about and see the back of the uniform you would say, "There is an American soldier," until you look at the dirty face in it, and then you know it is not.

From the time Carranza came in it seemed to me that although he had obtained the support and recognition of the United States, instead of being grateful for such support and recognition he thought that the Americans were weak and he commenced in insult them. The records in your own newspapers and Mexican newspapers will show the insults he threw at the United States. After the United States went into the war it is a well-known fact that the Carranza people were pro-German; they catered to them. I saw it time and time again; I was there. In fact, I was present in the streets of Mexico when Ambassador Fletcher passed through to the installation of Mr. Carranza as President. Mr. Fletcher was insulted in the streets by a bunch there of the proletariat who hissed him. Along came the German minister and he got applauded. The same thing happened at the Chamber of Deputies. I was there. The reception that Mr. Fletcher got is well known in the State Department. He was practically insulted, and I would say even hissed by the deputies. The other man got a different reception. I have been told on very good authority that a great

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many of the military officers working with Carranza, and even some members of his cabinet, received compensation from the German propaganda to keep up this seething anti-American feeling.

Mr. SNELL. Was it in a paper, that agitation?

Mr. MITCHELL. The agitation went on continually in two papers in Mexico, the Democrata and the Pueblo.

Mr. SNELL. Were both of those papers supporters of the Government?

Mr. MITCHELL. I understand they received so much a month from the treasury department, and if they did not receive it in cash they got paper which in a great many cases was imported from the United States.

Mr. SNELL. Is the Pueblo the official paper of the Government, do you know?

Mr. MITCHELL. No; I would call it semiofficial; they were both semiofficial.

Mr. SNELL. They are both semiofficial?

Mr. MITCHELL. They are both semiofficial; yes, sir.

Mr. SNELL. But you do not know whether either one of them was owned by the Government or not?

Mr. MITCHELL. They were not owned by the Government but by some officers of the Government, as happens down there. Each one gets his own paper, or two or three of them club together and they get it.

Mr. SNELL. But were they recognized as the official spokesmen for the Government?

Mr. MITCHELL. Yes.

Mr. SNELL. That is what I mean; they were recognized as the official spokesmen for the Government?

Mr. MITCHELL. Yes.

Mr. SNELL. What is your experience of the general treatment of American citizens down there in Mexico for the last three or four years?

Mr. MITCHELL. Since 1914 the treatment of Americans has been treatment that should have been repudiated a long time ago. I have seen them get insulted deliberately in the street, especially American women, and this was very often done by armed men.

Mr. SNELL. In the city of Mexico?

Mr. MITCHELL. Yes, sir; and neither Americans nor others could carry guns. By arbitrary decree Mr. Carranza demanded everybody to give up their arms and ammunition.

Mr. SNELL. Were the Americans treated with as much respect as citizens of the other Governments, say the French, Spanish, or British?

Mr. MITCHELL. I do not think so, sir, with one or two exceptions. You know there are always exceptions to the rule, but as a generality the American was not. There was that continual stirring up against them.

Mr. SNELL. How does the number of Americans in Mexico at the present time compare with the number of foreigners from other nations? Can you tell me anything about that—whether there are more Americans there than anybody else?

Mr. MITCHELL. No, sir; the Spaniard is the biggest colonist in that country.

Mr. SNELL. How does the number of French and English compare?

Mr. MITCHELL. There are much more French than Americans.

Mr. SNELL. How are the English?

Mr. MITCHELL. The English are always the smallest colony.

Mr. SNELL. The smallest?

Mr. MITCHELL. Always; even in any time.

Mr. RODENBERG. How about the Germans?

Mr. MITCHELL. The Germans were not tabled to get out of the country during the war. They were all well watched, and therefore they stayed. There is a big German colony, but the German colony was increased after the United States went into the war, because there seemed to be immigration of Germans into Mexico. We could see new German faces every day in the street.

The CHAIRMAN. How were they treated?

Mr. MITCHELL. Very well, indeed. In fact, it used to be remarked among the allied nations that the taxation applied by the Carranza government did not touch the Germans much. They were in the hardware and drug business; and if you will look over the tax lists applied you will find there were very few taxes applied to them, but they were applied practically to the industries of other nations. That is the thing that was remarked. In fact, one day, in a discussion with two diplomats down there I pointed out that fact to them, and they took up the tax lists and noticed it.

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The CHAIRMAN. How were the German women treated on the street, as compared to American women?

Mr. MITCHELL. Very well.

The CHAIRMAN. They were treated well?

Mr. MITCHELL. Yes, sir.

Mr. POU. How long have you been away from Mexico, Mr. Mitchell?

Mr. MITCHELL. Since September, 1917, with the exception of one month last year—1918.

Mr. POU. Are you going back to Mexico?

Mr. MITCHELL. I hope to one day, sir.

Mr. POU. Were you engaged in business down there?

Mr. MITCHELL. I was manager of the Bank of London and Mexico, which was put out of business by being looted by the Carranza government. If you wish to touch on that point—about the banking situation—I would be glad to do so.

The CHAIRMAN. No; I do not care to go into that.

Mr. RIORDAN. Where did this word "gringo" originate, that they apply to Americans?

Mr. MITCHELL. That did not originate in Mexico, sir; that originated in another South American country at the time that the American soldiers had gone down there, and at that time they used to sing a song, "Green grow the rushes," and from that came the word "gringo." That is how that really originated. Others tell you that it came from the time that the Americans went into Mexico, and they all dressed in green coats, and the Mexican would say, "green coat."

Mr. FESS. Mr. Chairman, as I recall, there were a great many Chinamen killed in Mexico?

Mr. MITCHELL. Yes, sir.

Mr. FESS. What was the occasion of that?

Mr. MITCHELL. The Chinamen were killed during the Madero régime in Torreon.

Mr. FESS. How many?

Mr. MITCHELL. Three hundred and three in one day. That is when Madero, a brother of the ex-president, took that city. There always had been a feeling among the Mexicans against the Chinamen because the Chinamen worked for as little salary, or sometimes less than the Mexican, and they took that opportunity to let that out.

Mr. RODENBERG. Do you think the feeling against Americans was strengthened by their belief that the Americans, as a nation, or as a people, were afraid or failed to assert their rights?

Mr. MITCHELL. Yes, sir. Twice they went into the country and then withdrew without accomplishing what they went in for, which made the Mexican people, especially the military element, say, "We could lick them any time we cared."

Mr. RODENBERG. They had a contempt for the American?

Mr. MITCHELL. Yes.

Mr. RODENBERG. And it caused the anti-American feeling to grow?

Mr. MITCHELL. Yes; that contributed very much to it.

Mr. SNELL. You think the general feeling among the Mexicans is that they could lick America if they started out?

Mr. MITCHELL. Not to-day.

Mr. SNELL. It was at that time?

Mr. MITCHELL. Yes.

Mr. RIORDAN. How are the Japanese treated down there in comparison to Americans?

Mr. MITCHELL. The Japanese have always been well treated there because, although he is another man who works, he works in an inferior position, such as gardener. In fact, the best gardeners down there are Japanese. Then, very often they were used as guards. At certain times when armed guards were required the Japanese were the only ones who would undertake to stand by their guns. At one time I had 14 of them and when shooting started in the street they were right there.

Mr. FESS. Are we to understand that in your judgment the bitter feeling against America was not prior to the landing at Vera Cruz?

Mr. MITCHELL. No, not bitter. There was always a kind of undertone, but during the Diaz régime, as I told you, he was criticized by his compatriots and his political opponents because he favored Americans too much. But he was farseeing. The Americans were the only people who would go in and build

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railroads, with the exception of one railroad which had been built from Vera Cruz to Mexico City. The Americans were enterprising men, pioneers, and they were building up that country, and therefore I think Americans should be well looked after. All the men who went in there proved that they were pioneers, and built up this country and built railroads.

Mr. FESS. And the bitterness that now exists——

Mr. MITCHELL. Has been fomented from those different times.

Mr. FESS. Is the bitterness lessening in Mexico as the days go by?

Mr. MITCHELL. As I saw it last year, just a year ago, it was not. In fact, I do not mind telling you that a great many educated Mexicans, intelligent Mexicans, feel sore at the Americans because they have not cleaned up the country. They say, "We will never get anything until some strong power comes in here and does it." They say, "At one time we had 60 years of revolution, and we will not stop, but will break the record."

Mr. FESS. In your judgment, how much of an army would it take to clean up the country?

Mr. MITCHELL. I do not think it would take a big army at all, sir. With a suitable army of men, and you could get the Mexicans themselves with the sure pay, they do not get to-day an assured daily pay, with an American in charge of them, they would have the finest regular soldiery, or you might say rural guard, that could ever be got up, what they call the rurales there.

Mr. RODENBERG. In your judgment, at the present time in the country that is controlled by the Carranza government, are American lives and American property secure?

Mr. MITCHELL. No, sir; not if they want it.

The CHAIRMAN. That is all, Mr. Mitchell, thank you.

Mr. GARRETT. Mr. Rodenberg asked you if, in your opinion, American lives and American property were secure under the Carranza government to-day, and I understand you to answer no. Do you mean that that is the fault of the Carranza government affirmatvely, or does the Carranza government itself attack American life and American property.

Mr. MITCHELL. No; it is the military, the riffraff of the soldier element they have there, practically got up from the lowest dregs. They do not respect not only American lives but the lives of others, if they think they can get anything by stealing. Down in the Tampico district where the oil wells are time and time again it is a well-known fact that they were attacked by the Carranza soldiers, even without the approval of their officers, at least supposedly so, and they are the ones who have killed more foreigners than the supposed bandits have done. Any American will tell you that it has always been when the Carranza group has come around there.

Mr. GARRETT. What I am anxious to get was your viewpoint as to whether or not the Carranza government itself——

Mr. MITCHELL. I consider it guilty in this way: I have never known of a case where the culprits have been brought to punishment, so you might say there was a tacit agreement that they could do that. If they made two or three examples of those men, getting them and punishing them, and not all the time saying it was the bandits that did it, it might be stopped.

Mr. KEARFUL. Are you willing also that the statement which was inserted by Representative Gould as having been signed by you——

Mr. MITCHELL. You can also use that.

(The statement referred to is here printed in full, as follows:)

Q. What proportion of Mexican territory is controlled by Carranza?

A. Forty to forty-five per cent of the territory, containing about that percentage of the total population of the Republic. Of the population contained in this territory, less than 10 per cent is favorable or loyal to the Carranza cause.

Of the 15,000,000 population of Mexico, between 20,000 and 25,000 cast votes at the last election, according to official figures printed in Government organs in Mexico City in May or June of 1917. These figures were published as the result of the insistence of certain members of the chamber of deputies. These deputies were members of the Obstructionista Party, which organized against Carranza immediately after the convention of the new Congress.

Q. How many distinct revolutionary movements are there?

A. Of the forces under arms in Mexico not loyal to the Carranza government, about 75 per cent, or 9 of the 12 rebel groups, as they are called, are revolutionary in character from varying motives. These nine groups have recently

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reached a measure of common ground or understanding upon which their opposition to the Carranza government is based. The meetings at which this understanding was reached were held in New York City in October, 1918, delegates from the different factions being present.

Q. What are the causes of these revolts? What are the rebels trying to accomplish?

A. The causes of these revolts are sometimes economic and sometimes personal, several of the leaders of the revolting groups being actuated largely by resentment from treatment received from their former chief, Carranza, while serving with him against the Huerta government. Those who have joined in the agreements reached in October, 1918, are committed to a return to the only legal Mexican constitution, that of 1857, and the protection of foreign interests, partially through the repeal of antiforeign decrees issued by Carranza, but mainly through a strict adherence to international obligations.

Q. What measure is Carranza taking to pacify the country?

A. Personally, he may wish to pacify the country, but his followers do not wish this, inasmuch as a lot of their incomes are now derived from the large bloated pay rolls of their army and these incomes would disappear.

I should like to give the committee some instances of thievery and graft on the part of the Carranza generals and other government officials which have come within my personal knowledge to support this statement.

Q. How large is the Carranza army?

A. The pay roll shows it is a little over 100,000; actually, the average number of troops under arms would be between 30,000 and 35,000.

Q. How does this compare with the Diaz army?

A. It is about 25 per cent higher than what the real Diaz army was.

Q. How much is the Carranza army costing?

A. From the published statements from the financial department, the Carranza army has been costing at the rate of 10,000,000 pesos a month, equivalent to $5,000,000 in United States currency, or $60,000,000 per year.

Q. How much did Diaz spend on his army?

A. Diaz spent about one-fourth of this.

Q. When do you think the country will be at peace?

A. Not until some power establishes a suzerainty for a limited period of time, because I have heard well-read Mexicans pass the remark that if they started a revolution again, whereas at one time they had a revolution for 60 years, this time they were going to break the record if they were left alone. I heard one of the Carranza generals pass that remark.

Q. Are the people in the Carranza territory happy and prosperous?

A. No; they are not. This is one of the reasons why crops have not been planted, because the planters found that in every case when they planted crops some of the Carranza military element would come and take them or put their horses to feed on the newly grown crops.

Q. Is it true that the main cause of the Carranza revolution was the agrarian problem, or the demand for the subdivision of large estates?

A. Madero started the agranian movement, but when he died it was recognized that it was an Utopian dream. Every revolutionist in Mexico usually brings up this question. With the idea of giving protection to those that might get little holdings of land in Coahuila, it was resolved to establish State troops in Coahuila, of which Carranza was governor in 1912, during the Madero administration, and Carranza received about a million and a half pesos (or about $750,000 in United States currency) for the purpose of equipping such a troop, which he never established, however, and when asked for an accounting of the money received he threatened to rebel against the Madero government. His revolt, however, was upset by the revolution against Madero in February, 1913. The fact of this threat was conveyed to me by the minister of finance in the Madero government, who has just received a telegram from Carranza, which telegram he showed to me in his office with the remark, "When we ask this man for an accounting he threatens us, but we will take care of him." This movement was upset through the rebellion of Felix Diaz against Madero, which revolution was put down after about 10 days' fighting in the streets of Mexico City, the emissaries of Felix Diaz having offered the presidency to Huerta if he would join them and help to have Madero arrested in the palace, which was done by Blanquet, who was fighting against the Felix Diaz revolution. Carranza, by telegram promised to uphold the Huerta-Diaz combination, the same telegram being in the hands of Garcia Granados, who was minister of the interior in the Huerta cabinet.

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The members of the Huerta government were surprised one Saturday evening when a telegram was received from an agent of the bank of which I was manager announcing the fact that Carranza had risen in revolt and taken this agent prisoner, demanding the sum of $50,000 from the bank to assist him in his revolution. I had to hunt up members of the Huerta cabinet to show them this wire, and Garcia Granados, who had the wire of loyalty, would not believe me, remarking that "I received this wire of loyalty five days ago." Garcia Granados was shot by Carranza troops after they occupied the city of Mexico. This action was against the constitution of 1857, which Carranza was supposed to be upholding, because there is a clause in said constitution which forbids the shooting of young men under 19 and old men over 60. Garcia Granados was 70. To allow this shooting, and many others that happened, Carranza declared a preconstitutional period, which preconstitutional period existed until the Carranza supporters drew up the spurious constitution of 1917.

Q. Where and by what means have large estates been divided under the Carranza régime?

A. To my personal knowledge, none of the large estates have been divided, although a great many of the Carranza generals have acquired same or are occupying same.

Q. Is the Carranza government anti-American?

A. It has been since its installation. Proof was given of this on the first two occasions that Mr. Fletcher, American ambassador, called on the chamber of deputies, where he was practically hissed by the Carranza deputies, as is known to the State Department. In addition, on the occasion of the installation of Carranza as President of Mexico, which took place on the 1st day of May, 1917, groups of the proletariet, who apparently had been recompensed, hissed him as he passed from his automobile, while Von Eckhart, the German minister, was applauded by the same parties.

Q. Is it true that Carranza has attempted to form a Latin-American union to combat American influence? Did he address Central and South American countries on this subject and send emissaries for this purpose? Did he not make speeches on this subject and mention it in an address to the Mexican Congress?

A. On various occasions, in the Mexican papers which were considered official organs of the Government, remarks made by Carranza in interviews given to the reporters of said papers showed that he wished to have such an organization established, and, in fact, the Universal stated on one occasion that the Carranza Government would receive the representative of the Argentine Government to take up the matter with him. Said representative of the Argentine Government arrived in Mexico a short while afterward and was greatly fêted, as he was supposed to be the harbinger of this new scheme to which Carranza was only too willing to contribute.

It is also a well-known fact in the State Department that Luis Cabrera, the present minister of finance in the Carranza cabinet, made a special journey to the Argentine to a conference held in Buenos Aires, which was reporetd to be anti-American and very much pro-German. Before going to the Argentine Cabrera was in Washington, and I understand it is on record that the reception he received here was cool, the object of his mission to the Argentine being known in Washington.

Q. Did Carranza, in his message to Congress last year, while the United States was at war, severely criticize this Government and display a most unfriendly attitude?

A. He has always shown himself against the Allies; in fact, he proposed to stop the shipment of any kind of produce from Mexico to any belligerent, knowing that this would be against the Allies only, and especially against those allies who were using petroleum for their vessels, saying that a large number of said supplies came from Mexico.

Q. Why were Carranza and his generals pro-German?

A. It is a well-known fact that a great many of Carranza's generals and civilian officials were being paid by German propaganda. I understand this was the cause of the United States stopping money on its way to Mexico.

Q. Do you consider that the Carranza Government was neutral?

A. No; I do not. They were pro-German, for the reason that I have told. In a great many cases they were paid to be pro-German and anti-American, receiving this payment through the German propaganda, which was very strong in Mexico.

Q. Is it true that the Carranza Government protected and subsidized the German press in Mexico during the war?

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A. On the contrary, the Germans were the ones that paid to have the Mexican press publish the lies which were published during the war, so much so that they arranged to get paper out of the United States when the factories in Mexico were shut down.

Q. Did the Carranza Government subsidize El Democrata, which is a pro-German organ?

A. Yes, it did.

Q. Is it true that the Germans were in control of the Mexican wireless stations during the war?

A. In Mexico City they were. In fact, after the United States entered the war, two of the principal German operators came over from Sayville to Mexico City and took charge of the plant and built it much higher, with a view to increasing its radius. The Carranza Government denied this when questioned by representatives of the Allied powers, and the Italian minister, who had gone to talk to some of these men in German, proved this by talking by telephone in the office of one of the Carranza cabinet members, calling up one of these men and speaking German to him, he having used this artifice because the Carranza cabinet minister had denied there was any such man there. Very soon after this the Italian minister left the country, and it was generally supposed that he was requested to do so by Carranza.

Q. Did Mexico permit the transmission of messages by wireless and other means to Germany during the war?

A. It is a well-known fact to business people in Mexico City that wires were being passed through Mexico to belligerents and to the few countries which were pro-German, or showed themselves to be pro-German. It is also a well-known fact that after the United States entered the war many more Germans were to be seen in the streets of Mexico than had been before that, as there seemed to be an immigration into Mexico, supposedly because they had been promised protection. It was also understood that several of the Carranza plenipotentiaries consented to carry pro-German messages and on one occasion one of the said plenipotentiaries, by name Isaac Fabela, lost his baggage in Habana, Cuba. It was generally known in Mexico that when said baggage was found and returned to him the messages he was carrying had been copied. This incident of lost baggage brought on the breaking off of relations between Mexico and Cuba for a time.

Q. Did Mexico refuse to recognize or comply with American commercial regulations during the war?

A. Mexico refused to recognize the blacklist of the United States or any other country, and gave as an argument that they were neutral, and in one of his speeches Carranza said that he was protesting, or going to protest, against such restrictions in trade with his country.

Q. Is it true that Carranza and his officials and military leaders were closely associated, personally and financially, with the German diplomatic representatives and German citizens during the war?

A. The Carranza Government was very closely associated with the German minister, Von Eckhart; in a great many financial operations which they did, such as trying to make an artificial rate of exchange on the paper money which they had issued, the German bank was the agency originally used. In addition, when a great many taxes were declared, many allied merchants remarked that the taxes did not apply to the industries which the Germans had. For instance, the German merchants in Mexico usually dedicated themselves to hardware and drugs, and few of the taxes touched their line of business.

W. B. MITCHELL.

July 22, 1919.

Mr. KEARFUL. Finally I want to ask you, Mr. Mitchell, what is your citizenship?

Mr. MITCHELL. I am a citizen of Great Britain.

(Thereupon the hearing was concluded.)

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ECAPITULATION

TING FOR THE KILLING OF 550 AMERICANS, IN MEXICO OR BY MEXICANS ON THE OF THE U.S. MEXICO BORDER, BETWEEN R 20, 1910 AND SEPTEMBER 30, 1919.

TE DEPARTMENT LISTS.
TMENT CASUALTY LISTS.
THOMAS E. GIBBONS.
SENATOR ALBERT B. FALL.
TIONS INDEX.
ASSOCIATION FOR THE PROTECTION
MERICAN RIGHTS IN MEXICO.

	BY MEXICO.		IN UNITED STATES BY MEXICANS		TOTAL
	CIVILIANS	REGULAR FORCES	CIVILIANS	CASUALTY LISTS	
	117	2	18		167
	73	12			
	18	26	8	18	
	18	1	8	33	
	18		8	16	
TOTALS	244	41	44	64	383
	244	53	62	64	383
			62	64	550

—20. (To face page 845.)

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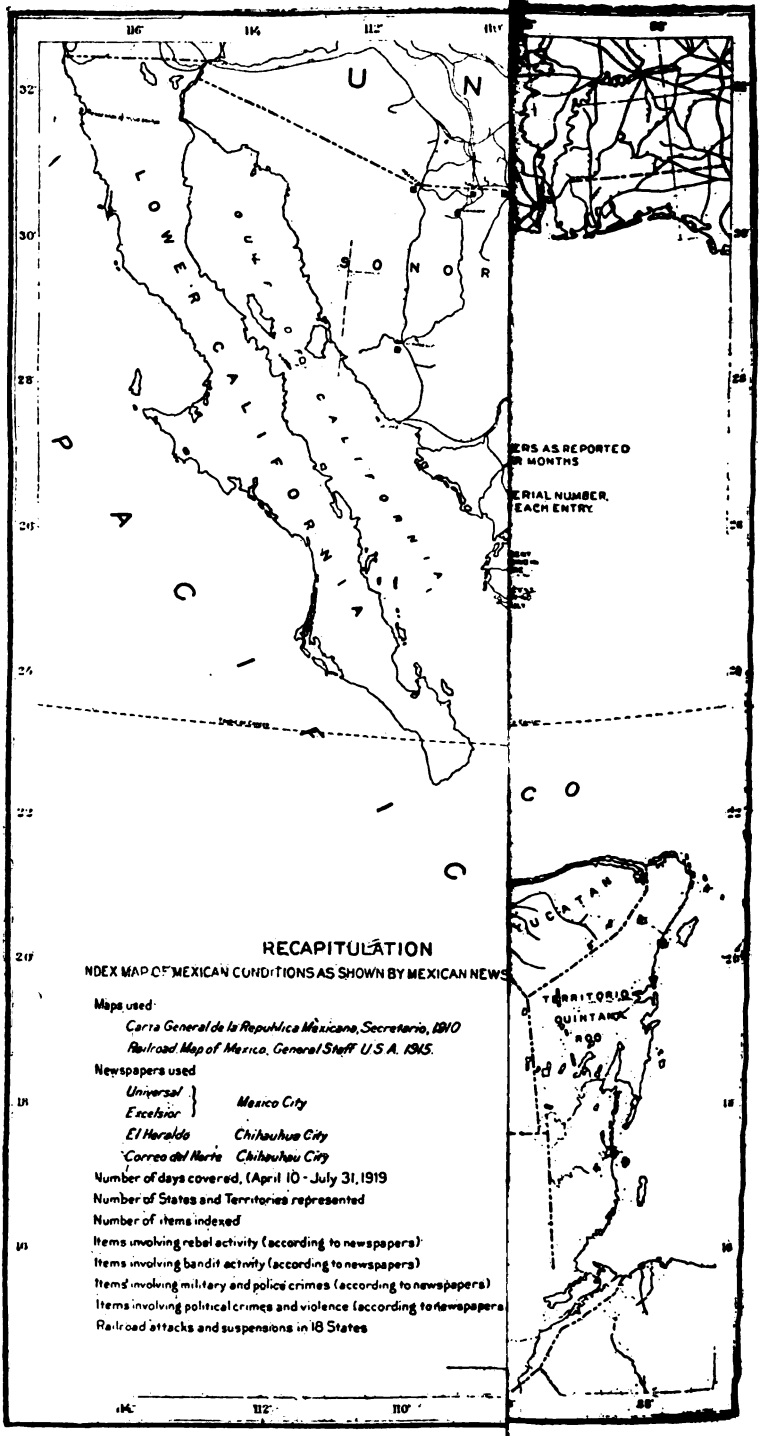

136920—19. (To face page 715.)

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INVESTIGATION OF MEXICAN AFFAIRS.

SATURDAY, NOVEMBER 15, 1919.

UNITED STATES SENATE,
SUBCOMMITTEE ON FOREIGN RELATIONS,
Washington, D. C.

The committee was called to order at 10.45 o'clock a. m. by the chairman, who, being immediately thereafter called to the Senate, directed Mr. Francis J. Kearful to conduct the hearing.

STATEMENT OF MR. JOSEPH P. ANNIN.

(The witness was duly sworn by Mr. Kearful.)

Mr. KEARFUL. State your name and address.

Mr. ANNIN. Joseph T. Annin, 817 Fifteenth Street, Washington, D. C.

Mr. KEARFUL. What is your present occupation?

Mr. ANNIN. I am the Washington representative of the National Association for the Protection of American Rights in Mexico.

Mr. KEARFUL. You have here a map of Mexico, which you have presented to the committee. Will you state who made the map?

(The map referred to is here printed on opposite page, as follows:)

Mr. ANNIN. The map was made under my personal direction by a draftsman employed for that purpose.

Mr. KEARFUL. What does the map purport to represent?

Mr. ANNIN. The map purports to represent what four Mexican newspapers indicated as to the state of political disorder in Mexico for the months of April, May, June and July of 1919.

Mr. KEARFUL. Those papers as mentioned on the map appear to be Universal, Excelsior, El Heraldo, and Correo del Norte, the last two being of Chihuahua city and the first two of Mexico City. Are those all of the newspapers that were published in Mexico during that period?

Mr. ANNIN. No, sir; not by any manner of means. Those papers are the ones that were the most readily accessible to us for this purpose and, in view of the impracticability of getting the back files of the other large dailies published in Mexico, we decided to base the map on those papers. It should be borne in mind that of

136920—19—PT 5——3

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317 distinct items represented by symbols on the map, 312 of them were taken from the two papers in Mexico City which you have just named, namely, Universal and Excelsior.

Mr. KEARFUL. You are aware, of course, that there are important newspapers published at Monterey, Tampico, Merida, and other places.

Mr. ANNIN. Yes, sir. In compiling this map I did not ask the translations to be made expressly for that purpose. I simply took translations which had already been made in our New York office of all items of interest in such Mexican newspapers as we had there, and from those sorted out translations representing four classes of disorders, namely, disorders due to rebel activity; disorders due to organized bandit activity; disorders involving violence imposed by Government military forces upon civilians or police and municipal authorities; and, fourth, items involving political crimes of violence, such as assassination by Government forces, civil or military, of people representing political factions opposed to the Government. That last does not include, of course, factions in revolt against the Government, which are designated as rebels.

Mr. KEARFUL. What sort of disorders, if any, were omitted in this scheme?

Mr. ANNIN. All disorders not expressly described on the recapitulation, which, of course, would include ordinary police crimes such as robbery, murder, burglary, criminal assault, and crimes of that nature.

Mr. KEARFUL. How are the disorders that you mentioned as being illustrated on the map designated?

Mr. ANNIN. We took a separate symbol for each month, as the legend on the map shows; a diamond for an incident occurring in April; a square for an incident occurring in May; a triangle for an incident occurring in June, and a cross for an incident occurring in July. Those were placed on the map in red and, as closely as possible, were located where the incident referred to occurred. In cases where an accurate location was not practicable the symbol has been put in as nearly to the scene of the disorder as possible and "Apx.," meaning approximate, put in alongside of the symbol.

I might state that in listing the disorders, or the entries on the map, we have compiled a tabulation, which I will insert if the committee wishes, and which shows in the following order what each symbol represents, the symbols being numbered serially by States so that the tabulation contains these columns: First, the number on the map; second, the approximate date of the incident referred to; third, the city or locality in which the incident occurred; fourth, the character of the incident according to the item from the Mexican newspaper from which the entry was made; fifth, the responsibility for the outrage as indicated by the newspaper; sixth, the name of the newspaper; and, seventh, the date of publication of the item.

Mr. KEARFUL. It will be printed in the record.

(The tabulation referred to is here printed in full, as follows:)

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Index to map of Mexican conditions as shown by Mexican newspaper reports.

Approximate date of incident.	Town or locality.	Character of incident or outrage.	Responsibility.[1]	Reference and date.
		STATE OF AUGUASCALIENTES.		
May 12	Auguascalientes	Pitched battle between soldiers and police.	M.	Excelsior, May 13.
June 28	.....do	Rebels operating in neighborhood	R.	Excelsior, June 29.
July 1	.....do	Battle with rebels led by revolting Federal.	R.	Universal, July 1.
June 30	Hacienda S. Bartolo	Battle with rebels (possibly duplication No. 3).	R.	Excelsior, July 4.
		STATE OF CAMPECHE.		
May 25	State of Campeche	Commission of residents protest to Carranza against reign of terror throughout State due to political persecutions and assassinations.[2]	M.	Excelsior, May 25.
June 10	Tenabo	One of series of incendiary fires destroying large henequen plantations.	B.	Universal, June 19.
		STATE OF CHIAPAS.		
Apr. 11	Ocozocoautla (Ocosingo)	Rebels attack traveling officials	R.	Universal, Apr. 22.
Apr. 21	Suchiate Railroad bridge	Burned by rebels; to be rebuilt	R.	Do.
May 12	Ocosingo	Captured and held by rebels	R.	Universal, May 12.
May 25	Arriago (Tonala)	Captured by rebels	R.	Excelsior, May 25.
Do.	Tonala district	Rebels cooperating with Tabasco rebels.	R.	Do.
June 5	Ocosingo	Recaptured from rebels by Federals	R.	Universal, June 5.
June 25	San Cristobal las Casas—Comitan.	P. A. railroad traffic suspended following raid and destruction by rebels.	R.	Universal, June 26.
July 6	.....do	Highway robbery by rebels	R.	Universal, July 15.
Do.	Tuxtla-San Geronimo	Railroad traffic interrupted by rebel raids.	R.	Do.
		STATE OF CHIHUAHUA.		
Apr. 15	Morse-Alberto	Work train attacked and burned by rebels.	R.	El Heraldo (Chihuahua), Apr. 15.
Apr. 12	Aldama	Town captured by Villista rebels	R.	Correo del Norte (Chihuahua), Apr. 17.
Apr. 20	Jiminez-Chihuahua	Railroad traffic indefinitely suspended because of rebel activities.	R.	Universal, Apr. 20.
May 4	Parral-Baca	Railroad destroyed by rebels	R.	Correo del Norte (Chihuahua), May 4.
May 10	Jimenez-Santa Rosalia	Barragon announces rebels in vicinity	R.	Universal, May 10.
May 20	Parral district	Villistas concentrated; Villa with 1,000,000 pesos stolen bullion en route to sell.	R.	Excelsior, May 20.
Apr. 25	Parral	Evacuated by Villista rebels after six days.	R.	Correo del Norte (Chihuahua), May 4.
May 22	La Boquilla	Villistas concentrating in force in vicinity.	R.	Excelsior, May 22.
May 23	Santa Rosalia-Jimenez	Efforts to repair railroad line suspended because of rebel activities.	R.	Universal, May 23.
May 30	Terrazas	Railroad traffic suspended because of presence of rebels.	R.	Excelsior, June 1.
Do.	Ahumada	.....do	R.	Do.
Do.	Montezuma	Railroad traffic suspended Ciudad Juarez-Jiminez because of presence of rebels.	R.	Excelsior, June 2.
			R.	Universal, June 3.
May 1	Parral	Official announcement second capture by rebels who held town 10 days.	R.	Universal, June 4.
June 23	Madera	Lumber mills shut down because of rebel activity.	R.	Universal, June 23.
Do.	Pearson	.....do	R.	Do.
June 21	Ahumada	Battle between rebels and Federals	R.	Excelsior, June 24.
Do.	Ranchoria	Destruction of railway engine and cars.		Do.
June 23	Colonia Dublan	Mormon colonists forced to emigrate to United States.	R.	Universal, June 23.
Do.	Colonia Juarez (approx.)	.....do	R.	Universal, June 24.
June 15	Ciudad Juarez	Attacked by Villistas, who destroyed 90 kilometers of track in retreat before U. S. troops.	R.	Universal, July 9.

[1] R. indicates rebel activity, B indicates bandit activity, M. indicates crime by Carranza soldiers or police against civilians, P. indicates political crime.
[2] Items so marked may be especially interesting—translations segregated.

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Index to map of Mexican conditions as shown by Mexican newspaper reports—Continued.

Approximate date of incident.	Town or locality.	Character of incident or outrage.	Responsibility.	Reference and date.
		STATE OF CHIHUAHUA—continued.		
July 10	San Andres	Captured by Villa and made rebel headquarters.[1]	R.	Excelsior, July 10.
July 16	Pilar de Conchos	Federals mobilized to resist rebel attacks	R.	Universal, July 16.
Do	Santa Rosalia	Rebel forces present	R.	Do.
Do	Horcasitas	do	R.	Do.
July 20	San Antonio (Chihuahua).	Attacked and captured by rebels	R.	Universal, July 21.
July 23	Parral district	Americans sent to concentration camp at Jiminez for safety.	R.	Universal, July 24.
Do	Conchos district	do	R.	Do.
		STATE OF COAHUILA.		
June 3	Camacho	Captured by rebels	R.	Universal, June 4.
June 16	Peralta	Rebels destroy railroad bridge isolating Torreon.	R.	Excelsior, June 19.
		STATE OF COLIMA.		
May 22	Colima	Two leaders and a number of others executed because of opposition to existing governor's candidacy.[1]	P.	Excelsior, May 25.
May 25	do	Rebels repulsed in attack on town	R.	Universal, May 29.
May 26	North of Colima	Federals move against rebel forces	R.	Universal, May 30.
June 19	Coquimatlan-Ameria	Train wrecked and looted, suspending traffic.	R.	Excelsior, June 19.
		STATE OF DURANGO.		
Apr. 19	San Juan del Rio	Villistas repulsed in attack on town	R.	Universal, May 1.
May 12	Gomez Palacio	Hacienda looted; manager kidnapped by bandits.	B.	Excelsior, May 14.
May 12	Cuencame	Entered by rebels	R.	Do.
May 18	Hacienda Anayacoyan	Federals battle with Villistas	R.	Universal, May 18.
May 15	Durango	Villistas attack nearby hacienda (possibly duplicate of No. 4).	R.	Excelsior, May 21.
May 13	Villa Hidalgo	Villa and forces occupy town	R.	Excelsior, May 23.
May 23	Mapimi	Mining camp looted of bullion by Villa.	R.	Do.
May 21	San Esteban	Federals in battle with rebels in force	R.	Excelsior, May 21.
May 12	Tepehuanes	Rebels attack train and burn bridges	R.	Excelsior, May 14.
June 3	San Juan del Rio	Attacked by rebels	R.	Universal, June 7.
Do	Altonilco	Rebels and federals clash	R.	Do.
Do	Tepehuanes	Rebels in vicinity	R.	Do.
Do	Inde	do	R.	Do.
Do	El Oro	do	R.	Do.
June 12	Durango	400 head of stock stolen from railroad yards.	B.	Excelsior, June 16
June 22	Rodeo	Town taken and farm lands preempted.	R.	Excelsior, June 26.
June 26	Cuencame	Rebels enter town demanding supplies.	R.	Universal, July 7.
June 26	do	Nearby hacienda attacked by rebels	R.	Do.
July 8	San Lucas	Rebels take town	R.	Excelsior, July 12.
July 19	El Chorro	Attacked by rebels	R.	Universal, July 19.
Do	Santiago Papasquiaro	San Antonio, San Julian, and Promontorio, three townships in vicinity, looted of livestock by rebels.	R.	Excelsior, July 23.
July 7	Ojo Hacienda	Alleged Villista sympathizers deported.	R.	Universal, July 11.
July 11	Durango	Outrages by police and military upon civilians include seduction by general of 13-year-old girl.[1]	M.	Universal, July 18.
July 1	Tejamen (approximately).	Chief of garrison killed leading brawlers.	M.	Excelsior, July 4.
		STATE OF GUANAJUATO.		
June 19	Jaral	Rebels attack train	R.	Universal, June 19.
		STATE OF GUERRERO.		
May 11	Guerrero Mountains (approximately).	Reported headquarters for revolting former federal general.	R.	Universal, May 12.
July 6	Zihuatenejo	Rebels attack port	R.	Universal, July 7.
June 20	Citlala	Federals suppress citizens' revolt	R.	Universal, June 22.
June 25	Zihuatenejo	Rebels capture cargo in port	R.	Excelsior, June 25.
July 25	Petalcola	Rebels sack town and abduct young girls.	R.	Do.
Do	Naranjal	Rebels burn sawmill	R.	Excelsior, July 25.

[1] Items so marked may be especially interesting—translations segregated.

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Index to map of Mexican conditions as shown by Mexican newspaper reports—Continued.

Approximate date of incident.	Town or locality.	Character of incident or outrage.	Responsibility.	Reference and date.
		STATE OF HIDALGO.		
June 4	Terrenos	Rebels destroy telegraph apparatus	R.	Universal, June 7.
June 13	Temoaya	Rebel activity on railroad line; looting ranches.	R.	Excelsior, June 14.
May 30	Pachuca	Federals and rebels clash	R.	Excelsior, June 1.
July 24	Tenango de Doria	Rebels attack city	R.	Excelsior, July 25.
		STATE OF JALISCO.		
Apr. 25	Chiquilistlan (approx.)	Home guard burns resident alive [1]	M.	Universal, Apr. 29.
Apr. 29	San Cristobal	Bandits attack town and kidnap mayor.	B.	Universal, May 2.
Do.	Ixtlahuacan	Bandits attack town	B.	Universal, May 3.
May 10	Cuesta de Sayula	Rebels dynamite railroad	R.	Universal, May 10.
May 29	Ixtlahuacan del Rio	Town threatened by rebels	R.	Universal, June 2.
Do.	S. Cristobal de la Barranca.	Rebels in vicinity	R.	Do.
May 21	Zapotitlan	Bandits pillage near-by ranches	B.	Universal, May 25.
June 14	Pedrito	Rebels and Federals clash	R.	Excelsior, June 14.
Do.	Laureles Mountains	do	R.	Do.
June 17	Chapalilla	Captured by rebels	R.	Universal, June 21.
June 22	Tonila	Rebels attack town	R.	Excelsior, June 23.
June 24	Laureles Mountains	Rebel headquarters repulses attack	R.	Excelsior, June 24.
June 13	Mica (approximate)	Banuelos rebels destroy bridges	R.	Universal, June 13.
June 27	Jalapa district	Rebels barricade houses in unnamed town.	R.	Universal, July 1.
Do.	Colima-Manzanillo	Rebels hold up train	R.	Do.
July 2	San Juan de los Lagos	Rebels attack town	R.	Excelsior, July 3.
July 9	Zapotlan district	Federals rescue farmer from rebels	R.	Universal, July 9.
Do.	Zapotlan (approximate)	Rebels attack Hacienda el Salitre	R.	Do.
Do.	Ameca	Garrison chief charged with murder and other misconduct.[1]	M.	Do.
July 14	Autlan-Sayula district	"Repeated depredations" by rebels	R.	Universal, July 14.
July 17	Paratos	Rebels in force defeated	R.	Universal, July 21.
Do.	Ixtlahuacan	Rebels defeated	R.	Do.
May 14	Cerro de la Cebolla	Federals defeat rebels	R.	Universal, May 14.
June 18	Huejuquilla	Rebels attack town	R.	Universal, June 22.
		STATE OF MEXICO.		
May 3	Contreras	(Near Mexico City) Federal guards attacked.	R.	Universal, May 3.
May 12	San Juan de Tlacotompa (approximate).	Zapatista leader killed	R.	Universal, May 13.
May 27	Toluca-Mexico City	Cavalry and military trains guarding railroad.	R.	Universal, May 29.
May 31	Teoloyucan	Zapatistas pillage town	R.	Universal, May 31.
Do.	Federal district	Zapatistas active near Santana Tlacotengo.	R.	Do.
June 2	Popocatepetl (Mount)	Arenas' bandits active	B.	Excelsior, June 2.
Do.	Ixtaccihuatl (Mount)	Region terrorized by Arenas' bandits	B.	Do.
June 9	Federal district	Rebels rob automobile party; held for ransom.	R.	Universal, June 9.
June 17	San Vicente	Hacienda pillaged; two Americans held for ransom.	B.	Universal, June 19.
June 25	San Lazaro	Ten soldiers rape and abandon woman [1]	M.	Universal, June 27.
July 7	Xochimilco	Rebels and Federal clash	R.	Excelsior, July 7.
July 24	Coajomulco-Barque	Felicista rebels wreck train	R.	Universal, July 24.
July 11	Potoltitlan	Soldiers murder two civilians [1]	M.	Universal, July 14.
July 28	Mexico City	Police commissioner proved robber chief.[1]	M.	Excelsior, July 28.
July 19	El Barque-Tres Marias	Rebels hold up train	R.	Universal, July 19.
		STATE OF MICHOACAN.		
Apr. 15	Chucandiero	Rebels executed	R.	Universal, Apr. 20.
Apr. 25	Taranhacuaro	Rebels in vicinity	R.	Universal, Apr. 25.
Apr. 30	Chiococat	City officials assassinated by home guard.[2]	M.	Universal, May 4.
Do.	Cheran	Home guards kill farmers and merchants.[2]	M.	Do.
May 4	Patzcuaro	Alvarez rebels loot town; kidnap residents.	R.	Universal, May 14.
May 20	do	Rebels raid town	R.	Universal, June 10.
May 26	Zamora	Perez rebels raid near-by farm	R.	Universal, May 30.
June 5	Tancitaro	Federals and Alvarez in pitched battle.	R.	Universal, June 10.
June 8	Apatzingan	Rebels kidnap hacienda manager	R.	Universal, June 18.
Do.	do	Rebels get 50,000 pesos ransom for five kidnapped landowners.	R.	Do.

[1] Items so marked may be especially interesting—translations segregated.

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Index to map of Mexican conditions as shown by Mexican newspaper reports—Continued.

Approximate date of incident.	Town or locality.	Character of incident or outrage.	Responsibility.	Reference and date.
		STATE OF MICHOACAN—continued.		
July 7	Villa Morelos	Home guards repulse rebels	R.	Universal, July 7.
June 9	Purepero	Rebels attack railway	R.	Excelsior, June 9.
July 7	Morelia	Twelve killed in train wreck	R.	Excelsior, July 7.
		STATE OF MORELOS.		
June 15	Cuautla	Zapatista activities interrupt railroad traffic.	R.	Universal, June 18.
June 5	Tulihualto	Attacked by rebels	R.	Universal, July 6.
		STATE OF NUEVO LEON		
June 14	Montemorelos-Vaqueros	Train blown up by rebels	R.	Universal, June 19.
June 13	Cerralvo	Almazan rebels loot town and levy forced loans.	R.	Excelsior, June 14.
Do	Los Ramones	do	R.	Do.
Do	Aldamas	do	R.	Do.
Do	Monterrey-Matamoros	Railroad bridges wrecked by rebels	R.	Do.
Do	Linares	Rebels in vicinity	R.	Do.
June 15	Monterrey-Tampico	Railroad traffic interrupted by rebels	R.	Universal, June 15.
July 14	Cadereyta	Federals defeat rebels	R.	Universal, July 14.
July 24	Zaragoza	Town retaken from rebels after two years' occupation.	R.	Excelsior, July 25.
Do	Iturbide	Federals retake town after rebel occupation.	R.	Do.
Do	Mier	do	R.	Do.
Do	Noriega	do	R.	Do.
		STATE OF OAXACA.		
May 25	Oaxaca	Rebels in suburbs	R.	Excelsior, May 25.
Do	Arriaga	Rebels loot, and burn station	R.	Universal, May 25.
June 5	Ejutla	Federals clash with rebels	R.	Excelsior, June 7.
May 30	Pluma Hidalgo	do	R.	Universal, June 8.
Do	Puerto Angel	Federals attack rebel headquarters	R.	Do.
June 6	Miahutlan	Daily rebel raids reported	R.	Excelsior, June 9.
June 8	Oaxaca-Puebla	Railroad traffic suspended	R.	Excelsior, June 11.
June 4	Miahutlan	Rebels route Federals	R.	Universal, June 12.
May 31	Tlaxiaco	Rebels attack Federal troops	R.	Do.
June 12	Ejutla	Rebels and Federals clash	R.	Excelsior, June 14.
June 17	Puerto Angel	Federals mobilize against rebels	R.	Universal, June 17.
June 27	Tuxtepec	Rebels burn American sugar mills	R.	Universal, June 28.
June 22	Ojitlan	Rebels burn La Malta sugar mill. (Possibly duplication of above item.)	R.	Universal, June 28.
July 18	Ejutla	Rebels defeated by Federals	R.	Excelsior, July 19.
July 13	Tlalixtlac	do	R.	Excelsior, July 13.
July 15	Huajuaban	Zapatistas demand town's surrender	R.	Excelsior, July 15.
Do	Petepa (approximate)	Bandits raid town; garrison inactive [1]	B.	Excelsior, July 18.
Do	Silacayonan	Zapatistas demand town's surrender	R.	Do.
Do	Justlahuaca	do	R.	Excelsior, July 15.
July 19	San Pedro Apostol	Rebels sack town	R.	Universal, July 24.
Do	Taviche	Rebel raid	R.	Do.
		STATE OF PUEBLA.		
July 7	Amozoc	Rebels loot train	R.	Universal, July 8.
July 11	Aztecas	Federals drive out rebels	R.	Universal, July 14.
Apr. 26	Tlapacoyan	Rebels annihilate garrison and capture town.	R.	Universal, Apr. 27.
July 7	Esperanza Apizaco	Rebels bomb, loot and burn train	R.	Universal, July 8.
May 18	Puebla-Oaxaca	Zapatista rebels interrupt railroad traffic	R.	Excelsior, May 20.
May 20	Xochimilco	Federals defeat rebels	R.	Universal, May 22.
May 26	Zacapoaxtla	Natives complain of extortion by military forces.[1]	M.	Excelsior, May 26.
June 1	Chachapa	Rebels attack train	R.	Universal, June 2.
Do	Varela	Rebels loot train and burn cars	R.	Universal, June 4.
June 3	S. Pedro Tlaltenango	Rebels loot town and kidnap women	R.	Do.
June 5	Puebla	Federals defeat rebels south of city	R.	Universal, June 7.
June 6	Santa Maria	Federals drive out rebels. (Possibly duplicate above item.)	R.	Excelsior, June 7.
June 9	Barranca Honda	Rebels hold up train, loot passengers, take 100 prisoners and burn cars.[1]	R.	Excelsior, June 11.
June 11	San Marcos	Federal garrison revolts	M.	Excelsior, June 12.
June 8	La Noria Hacienda	Hacienda raided by rebels	R.	Do.
June 13	Puebla	Rebels loot hacienda of American consul and kidnap manager.	R.	Excelsior, June 18.

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Index to map of Mexican conditions as shown by Mexican newspaper reports—Continued.

Approximate date of incident.	Town or locality.	Character of incident or outrage.	Responsibility.	Reference and date.
		STATE OF PUEBLA—continued.		
June 20	Canitas	Federals defeat rebels	R.	Excelsior, June 30.
June 29	Tianguistengo	Eight rebels captured and executed	R.	Excelsior, July 4.
July 3	Acatzingo	Rafael Limon complains federal officials held him for ransom.	M.	Excelsior, July 3.
July 1	Libres	Town attacked by rebels	R.	Excelsior, July 3.
July 4	Santa Maria Salitzintla	Rebels sack and burn town killing several.	R.	Universal, July 5.
July 7	Rinconada	Rebels dynamite freight train	R.	Excelsior, July 8.
July 4	Amozoc	Rebels raid telegraph station	R.	Universal, July 10.
July 10	Tepeaca	Rebels hold rich farmer for 100,000 pesos ransom.	R.	Excelsior, July 10.
July 6	Tepoxuchitl	Rebels in vicinity	R.	Universal, July 10.
July 11	Chietla	Home guards refuse to fight Zapatistas	R.	Excelsior, July 12.
Do.	Calpan	Rebel camp raided	R.	Do.
Do.	Xochimilco	Rebels defeated	R.	Excelsior, July 13.
July 13	Cholula	Rebels raid widow's home	R.	Excelsior, July 15.
July 15	Tezuitlan	Federals attack rebels who threaten nearby towns.	R.	Do.
July 13	La Malintzi Mountains	Federal protect trains from rebels	R.	Excelsior, July 15.
July 15	Barranca Honda	Rebels attack train	R.	Universal, July 18.
July 20	Papalutla	Rebel leader Salazar killed	R.	Excelsior, July 22.
July 25	Tepeaca	Tehuacan-Puebla train dynamited, guard annihilated.	R.	Universal, July 29.
		STATE OF QUERETARO.		
June 15	Queretaro	Congressman complains of 10 killings in political campaign.	P.	Excelsior, June 15.
		STATE OF SAN LUIS POTOSI.		
May 25	Matehuala	Federals defeat rebels	R.	Universal, May 25.
		STATE OF SINALOA.		
July 24	Culiacan	Yaqui Indians in rebellion	R.	Excelsior, July 24.
		STATE OF SONORA.		
May 10	Cananea	Villistas raid and loot town	R.	Correo del Norte (Chihuahua), May 13.
May 22	Hermosillo	Yaqui rebels murder H. S. White, American.	R.	Excelsior, May 24.
June 24	Naco, Nogales, Agua Prieta.	Yaqui rebels threatening border towns.	R.	Excelsior, June 24.
		STATE OF TABASCO.		
May 23	Villahermosa	Rebels loot steamer	R.	Universal, June 3.
May 30	San Miguel	Rebels active	R.	Excelsior, June 1.
Apr. 27	Tenosique	Rebels loot town and kill merchant	R.	Universal, May 3.
May 30	Estipilla	Rebels active	R.	Excelsior, June 1.
June 6	Palma	Rebels and federals clash	R.	Universal, June 7.
July 4	Frontera	Rebels loot steamer	R.	Universal, July 4.
July 15	Jalapa	Rebels attack town	R.	Universal, July 15.
July 16	Villahermosa-Macuspana	Rebels defeat federals	R.	Excelsior, July 16.
Do.	Grijalva River	Rebels attack shipping	R.	Excelsior, July 16.
July 20	Grijalva River	Traffic suspended because of rebel attacks.	R.	Universal, July 21.
July 10	Villahermosa	Rebels attack steamer	R.	Excelsior, July 21.
July 15	Villahermosa	Three ships looted	R.	Excelsior, July 25.
July 31	Cardenas	State governor forced to disarm soldiers, flees under charge of having connived at coast and river piracy. Sets up revolutionary government.[1]	R.	Universal, Aug. 1-5.
			R.	Excelsior, July 30.
		STATE OF TAMAULIPAS.		
Apr. 19	Farias	Rebels defeated	R.	Universal, Apr. 21.
May 16	Santa Engracia	Perez rebels loot town	R.	Universal, May 22.
May 29	Victoria-La Cruz	Rebels loot and burn train	R.	Excelsior, May 29.
May 24	Tierra Amarilla	Pelaez rebels drive out Federals	R.	Universal, May 26.
June 7	Tanhuijo	Rebels (bandits) rob pay launch	R.	Universal, June 7.
June 8	Naranjo	Federals defeat rebels	P.	Universal, June 17.
June 17	Alta Maria	Station burned by rebels	R.	Do.
Apr. 25	Tampico-Monterrey	Rebels interrupt railroad traffic	R.	Universal, Apr. 26
June 25	Forlon	Rebels attack railroad station	R.	Excelsior, June 25

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Index to map of Mexican conditions as shown by Mexican newspaper reports—Continued.

Approximate date of incident.	Town or locality.	Character or incident or outrage.	Responsibility.	Reference and date.
		STATE OF TAMAULIPAS—continued.		
June 22	Ciudad Victoria	Rebels raid city	R.	Excelsior, June 26.
June 29	Tampico	Rebels (bandits) rob pay launch in Chijol Canal.	R.	Excelsior, June 30.
July 2	Potrerillos	Rebels loot and burn town	R.	Universal, July 2.
July 3	Laguna de Taniahut	Pirates active among small boats	B.	Excelsior, July 30.
June 20	Santo Tomas	Launch robbed of 14,000 pesos	B.	Excelsior, July 3.
July 9	Tampico-Monterrey	Rebels active along railroad	R.	Excelsior, July 9.
July 8	Isasi	Rebels loot town, annihilating garrison.	R.	Excelsior, July 10.
July 12	Jimenez (approximate)	Rebels force suspension of farm work; two small towns looted.[1]	R.	Universal, July 12.
July 19	Soto la Marina district	Smugglers of ammunition active	B.	Excelsior, July 19.
July 12	San Fernando, Jimenez, Cruillas, Burgos, Mendez.	Rebel activities increase	R.	Excelsior, July 12.
June 21	San Nicolas, and Tampico.	Carranza military officials arrested for robbery and criminal assault.[1]	M.	Universal, June 22.
May 3	Tampico (approximate)	Italian diplomat assaulted and robbed en tour.	B.	Universal, May 4.
June 19	Colonia Station	John Corral killed and wife raped in raid by rebels.	R.	Excelsior, June 29.
July 21	Tampico	U. S. S. Cheyenne launch and party robbed.[1]	B.	Excelsior, July 21.
		TERRITORY OF TEPIC.		
June 2	Tepic	Federals and rebels clash	R.	Universal, June 8.
June 30	Rosa Morada	Rebels sack town	R.	Excelsior, July 13.
May 7	do	Rebels drive out Federal garrison	R.	Universal, May 22.
		STATE OF TLAXCALA.		
May 10	Apizaco	Rebels raid plantation	R.	Excelsior, May 13.
May 2	do	Rebels destroy railroad	R.	Excelsior, May 22.
June 25	Huamante	Rebels sack town	R.	Excelsior, June 26.
June 14	Santa Maria-Apizaco	Rebels fire on train	R.	Universal, June 17.
Apr. 27	Panzacola	Rebels attack station	R.	Universal, Apr. 30.
		STATE OF VERA CRUZ.		
Apr. 19	Palmar	Railroad fortified against continuous rebel raids.	R.	Universal, Apr. 19.
Apr. 18	Barranca de Cuates (approximate).	Rebel leader Alvarez captured in fight	R.	Universal, Apr. 21.
Apr. 24	Las Vigas	Rebels capture town; bomb and burn train.	R.	Universal, Apr. 25.
May 19	Omealco-Presidio	Felicista rebels destroy railroad	R.	Universal, Apr. 30.
Apr. 30	Perote	Rebel dynamiter killed in fight with Federals.	R.	Universal, May 1.
May 7	Palmar	Veracruz-Jalapa railroad line cut	R.	Universal, May 9.
May 10	Salinas	Rebels kill 30 passengers in looting of train.	R.	Universal, May 11.
Do	Joaquin	Veracruz-Sierra Blanca train dynamited.	R.	Do.
Do	Tantoyuca	Fight between rebels and Federals	R.	Do.
May 14	Nautla	Rebels interrupt coastwise traffic	R.	Universal, May 20.
May 17	Tierra Blanca	Rebels dynamite train, killing 50 guards	R.	Excelsior, May 20.
May 21	Tula	Federals raid rebel camp	R.	Universal, May 22.
May 22	Medellin	Rebels attack town; suspend railroad traffic.	R.	Universal, May 25.
May 23	Rio Blanco	Rebels pillage town	R.	Do.
Do	Puerto Grande	Rebels attack town	R.	Do.
Do	Chirimyo	Rebels and Federals clash	R.	Do.
May 14	Rumbo Nuevo	Federals defeat rebels	R.	Universal, May 15.
May 26	Sierra Blanca (approx.)	Rebels attack train, killing a general	R.	Excelsior, May 26.
May 25	Tejeria Station	Rebels attack train	R.	Excelsior, May 27.
May 21	Misantla	Captured by Felicista rebels	R.	Universal, May 27.
May 27	Alta Luz	Rebels attack garrison	R.	Universal, May 29.
Do	Maltrata	Rebels attack town	R.	Do.
May 30	Jalapaxco	Rebels under Arenas defeated	R.	Universal, May 30.
Do	Punta Delgada	Gunboat fires on rebels	R.	Universal, June 3.
June 3	Veracruz-Jalapa	Rebels attack train	R.	Excelsior, June 6.
Do	Colorado	Rebels dynamite train	R.	Do.
June 5	Jalapa-Palmar	do	R.	Excelsior, June 7.
June 4	Cordoba-Tierra Blanca	Rebels dynamite and burn train	R.	Do.
June 8	Chocoman	Federals and rebels clash	R.	Universal, June 9.
June 9	Tierra Blanca (approx.)	Rebels attack train	R.	Universal, June 10.
June 10	Palmar-Colorado	Rebels bomb train	R.	Excelsior, June 12.

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Index to map of Mexican conditions as shown by Mexican newspaper reports—Continued.

Approximate date of incident.	Town or locality.	Character of incident or outrage.	Responsibility.	Reference and date.
		STATE OF VERA CRUZ—continued.		
June 13	Rio Blanco	Railroad traffic interrupted (Veracruz al Istmo Railroad).	R.	Universal, June 13.
Do	Palmar	Interoceanic Railroad cut	R.	Do.
June 10	Buena Vista Station	Rebels dynamite freight train	R.	Do.
June 12	Teocelo, Coteepoc, Xico	Towns attacked by rebels	R.	Excelsior, June 14.
June 19	Cordoba	City fortified against rebel attacks	R.	Universal, June 19.
June 26	Jalapa	Rebels pillage town	R.	Excelsior, June 29.
July 4	Medellin and El Tejar	Meat famine due to rebel raids	R.	Universal, July 4.
July 11	Minatitlan	Perez rebels loot and burn town; kill garrison.	R.	Universal, July 14.
July 13	Alvarado	Rebels capture 2 launches	R.	Do.
Apr. 21	Rio Blanco	Rebels capture town, killing 15 Federals	R.	Universal, Apr. 21.
July 17	Rancho Nuevo	(Near Rio Blanco) looted by rebels	R.	Universal, July 19.
July 11	Talcojalpa	Rebels repulse Federals	R.	Do.
July 17	Tuxtepec	Federals defeat rebels	R.	Do.
July 15	Cosmaloapan	Rebel raids	R.	Excelsior, July 15.
Do	Jalapa	Rebels attack town	R.	Universal, July 17.
July 23	Orizaba	do	R.	Universal, July 23.
June 29	Jaltipan	Rebels loot town	R.	Excelsior, June 29.
June 5	San Miguel	Rebels dynamite, loot, and burn train	R.	Universal, June 10.
		STATE OF YUCATAN.		
July 13	Muna	Socialists shot without trial or deported[1]	P.	Universal, July 13.
May 3	Panzacola	Rebels in vicinity	R.	Universal, May 4.
Do	Zacatelco	do	R.	Do.
May 2	San Juan Teotihuacan	Bandits attack hacienda	B.	Do.
		STATE OF ZACATECAS.		
Apr. 16	Concepcion del Oro	Rebels attack town	R.	Universal, Apr. 16.
Apr. 12	El Fraile	Rebels defeated	R.	Do.
June 3	Camacho	Station damaged by rebel raid	R.	Excelsior, June 20.
June 23	Canitas Station	Villistas burn bridge (railroad)	R.	Universal, June 24.

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RECAPITULATION.

Maps used:
Carta General de la Republica Mexicana, Secretario Fomento, 1910.
Railroad Map of Mexico, General Staff, U. S., 1915.

Newspapers used:
Universal, Excelsior } Mexico City (items) 312
El Heraldo, Chihuahua city (item) 1
Correo del Norte, Chihuahua city (items) 4

Number of days covered (Apr. 10–July 31, 1919) 112
Number of States and Territories represented 28
Number of items indexed 317
Items involving rebel activity (according to Mexican news reports) 272
Items involving bandit activities (according to Mexican news reports) 15
Items involving military and police crimes (according to Mexican news reports) 15
Items involving political crimes and violence (according to Mexican news reports) 3
Railroad attacks and suspensions in 18 States 72

In the interest of brevity the column fixing responsibility shows the first letter of one of the four groups, "R" indicating rebel activity, "B" indicating bandit activity, "M" indicating crimes by Carranza soldiers or police against civilians, and "P" indicating the political crime; all of which is explained in a footnote marked by an asterisk on the tabulation.

The fact that this map is based on reports in the Mexican newspapers is especially significant in view of the fact that the Carranza authorities about the 1st of June arrested and deported to the disturbed district of Chihuahua a group of newspaper editors whose publications had displeased the government by printing accounts of various disturbances and disorders.

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Mr. KEARFUL. Referring again to the map, in the case of a continuing incident of outrage or disorder, extending over a period of several days, did you place a symbol for each separate day, or one symbol for the entire incident?

Mr. ANNIN. In a case of that kind one symbol would cover the entire incident. I can show you an instance of that kind, if you wish.

Mr. KEARFUL. Yes; proceed.

Mr. ANNIN. In the case of the railroad between Ciudad Juarez and Mexico City, particularly that part between Torreon in Coahuila and the city of Chihuahua, the railroad line was the scene of continuous disorders and interruption of traffic virtually throughout this entire period. Where the newspaper comments on the fact that traffic had been interrupted again for a period of 20 days, one entry has been made.

Mr. KEARFUL. One symbol would cover that?

Mr. ANNIN. Yes. While I can not be absolutely positive that there are no duplications or no overlapping, I do know that a great many doubtful incidents were thrown out through fear of duplication. In making the map I leaned backward in order to give the benefit of the doubt to the side of law and order.

Mr. KEARFUL. Do you consider the map as made up with those symbols a fair indication of the disorders published in the newspapers referred to and of the kind of disorders mentioned?

Mr. ANNIN. I consider it absolutely fair in so far as our information goes, but I know that a great deal of the disorder which occurred in Mexico in that period is not represented on the map, because incidents were not mentioned in the papers we had at hand and because we confined ourselves exclusively in making the map to such incidents as were shown in those papers.

Mr. KEARFUL. You had information of other disorders and outrages of the same kind from reports of private persons and other sources?

Mr. ANNIN. Oh, yes, sir; but while we did not discredit those, we did not put them on the map, because this purports to and does represent only such incidents as were shown in the Mexican press and only in that small part of the Mexican press that was available to me at the time.

Mr. KEARFUL. Is there any State in the Republic of Mexico, as shown by the map, according to those newspapers, which did not contain the scene of such disorders?

Mr. ANNIN. There is one State—Lower California—from which we had no reports of any nature at all.

Mr. KEARFUL. What, if any, political subdivisions on the map are there in which no such occurrences are noted from the information available?

Mr. ANNIN. The territory of Quintana Roo and Lower California.

Mr. KEARFUL. With reference to the railroads, what was the condition during that period as indicated by the symbols from the information mentioned?

Mr. ANNIN. The recapitulation on the map, which is appended to the tabulation which has been inserted, shows that in 18 States in that period there were 72 attacks on railroads and suspensions of traffic. Following the railroads on the map, it will be seen that with the ex-

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ception of the railroad lines running from the City of Mexico to Nuevo Laredo, in Tamaulipas, no railroad has been immune from attack. The lines running from the City of Veracruz, Mexico's principal port of entry, have been subject to so many attacks that it would have been impossible, even with the restrictions imposed as to duplicating, to make all entries where they belonged on the railroad.

The principal line, and the only line, during that period where an attempt was made to maintain traffic from Veracruz to Mexico City—the line running from Veracruz to Cordoba, San Marcos, Apizaco, and Mexico City—was safer than any of the other two lines running out of Veracruz; but in spite of that it was lined with garrisoned blockhouses throughout the entire course, 1 kilometer apart; there were on that line approximately one dozen attacks shown. That was the railroad that all travelers landing at Veracruz and going to Mexico City were forced to use.

I may say that in that period I had occasion to take that trip, and that is why I can speak of the blockhouses, their garrisons, and the general condition of traffic from my own knowledge.

An interesting side light on the map in connection with the recent abduction of William O. Jenkins from the city of Puebla is that the map shows in the State of Puebla 34 disorders of the character indexed, and of these at least one-half were in the city of Puebla or the immediate vicinity, despite the fact that the city of Puebla is the second largest city in the Republic of Mexico.

Mr. KEARFUL. Is that all, Mr. Annin?

Mr. ANNIN. I do not think of anything else in connection with the map that is not shown by the map itself, which I leave with the committee, or by the tabulation which has been inserted in the record.

Mr. KEARFUL. The map will be placed on file and, if possible, will be produced in the record at the beginning of this hearing. The committee is very much obliged to you.

(Thereupon, at 11 o'clock a. m., the committee adjourned subject to the call of the chairman.)

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INVESTIGATION OF MEXICAN AFFAIRS.

TUESDAY, NOVEMBER 18, 1918.

UNITED STATES SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON FOREIGN RELATIONS,
Washington, D. C.

Testimony taken at Washington, D. C., November 18, 1919, by Francis J. Kearful, Esq., in pursuance of an order of the Subcommittee of the Committee on Foreign Relations of the Senate.

TESTIMONY OF MR. WALTER FLAVIUS McCALEB.

Mr. KEARFUL. Mr. McCaleb, you have been subpœnaed to come before the committee to give it the benefit of your knowledge about the banking and financial situation in Mexico. The members of the committee being unavoidably absent, have authorized me, as counsel, to proceed with the examination. Please state your full name and address.

Mr. McCALEB. Walter Flavius McCaleb, 261 Broadway, New York City.

Mr. KEARFUL. What is your profession?

Mr. McCALEB. That is difficult to answer. I suspect I have a small claim to being a writer and possibly a banker.

Mr. KEARFUL. What experience have you had in the banking business?

Mr. McCALEB. I have had about 10 years' practical banking experience. I have been a lecturer on money and banking in Columbia University. I served as vice chairman, active, of the Federal Reserve Bank of Dallas. I have published, as editor, an English edition of René Stourm's Le Budget, which is the last word on budgetary history of the European nations. I have written on various economic topics, particularly banking. A number of my articles have appeared in the leading magazines devoted to special fields.

Mr. KEARFUL. What has been the extent of your actual experience in Mexico?

Mr. McCALEB. I have made special investigations in Mexican finances, both public and private. I have in press a History of Present and Past Banking in Mexico and have finished a first draft of a History of the Public Finances of Mexico.

Mr. KEARFUL. Have you been a student of Mexican history? If so, to what extent?

Mr. McCALEB. I have. As a student in college I explored the Bexar archives and later spent considerable time searching through the Archivo General of Mexico. Also I have written a history of the Mexican War of 1848, which will appear some time during the coming year.

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Mr. KEARFUL. For how long a period have you lived in Mexico?

Mr. McCALEB. I have known Mexico more or less intimately all my life. I have made several trips through the country. In the summer of 1898 I rode possibly a thousand miles on bicycle through the central part of the Republic. I lived in the City of Mexico for more than six months. During my various visits to Mexico I spent some weeks in Chihuahua and Aguascalientes, Queretaro, Leon, Monterrey, Monclova, and the capital itself.

Mr. KEARFUL. Are you well acquainted with the Spanish language?

Mr. McCALEB. I am. I have spoken it since a child.

Mr. KEARFUL. Are you able to converse freely in Spanish with the natives of Mexico upon any subject?

Mr. McCALEB. I am.

Mr. KEARFUL. What special investigation have you recently made in Mexico with reference to the history of banking and finances of that country?

Mr. McCALEB. I have searched through the official publications of the Mexican Government dealing with these two large branches. I have also spent some weeks in the capital, where I came in touch with Mexican Government officials, and on the basis of these researches I have prepared the two books mentioned above.

Mr. KEARFUL. When was this investigation made in connection with the officials of the Government?

Mr. McCALEB. My stay in the capital was in the early summer of 1918. At that time I met a number of Government officials and was afforded access to what materials they had available on the subject of banks and budget. I have continued my researches since that time in the compilation of the two books mentioned.

Mr. KEARFUL. Have you had communications with high officials of the Mexican Government since you left there?

Mr. McCALEB. Yes.

Mr. KEARFUL. And in reference to the same subjects?

Mr. McCALEB. Yes.

Mr. KEARFUL. Are you able to give a history of the origin and progress of the banks from the earliest times in Mexico up to the present?

Mr. McCALEB. I think I am.

Mr. KEARFUL. Will you begin by stating the situation of the country with respect to banking before the establishment of any actual banks and state the time?

Mr. McCALEB. When the Mexicans had gained their independence from Spain they naturally fell heir to such economic machinery as had been developed under the colonial régime. As concerned finances, this machinery was crude enough. There were no banking institutions in the modern sense of the term. There were practically no credit institutions of any sort, if exception may be made of the Monte de Piedad. There were in the country, however, two classes that advanced in small quotas credits of a sort. These were the merchants and the rescatador. The merchants made their credit advances to the hac endado, or farmer. The rescatador made his to the miner. This latter was in a sense a broker who received the silver output, disposed of it, repaid himself his advances, and turned over the residue to the miner.

Mr. KEARFUL. Please describe the function of the Monte de Piedad at the time of the Mexican independence.

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Mr. McCaleb. The Monte de Piedad was a charitable institution, founded by Terreros, who at one time was a poor miner in the Republic. He amassed a great fortune, returned to Spain, became a noble, and set aside 300,000 pesos as the capital for the Monte de Piedad, which opened its doors in 1775. This institution at the outset loaned its funds without assessing an interest charge. On the repayment of loans the beneficiary usually left a gratuity which was presumed to cover the cost of operations. Later on this institution found it necessary to levy a charge on all loans and became in a sense merely a pawnbroking establishment.

As I have stated, these were practically the only classes of credit institutions which prevailed in Mexico prior to 1864, the date of the establishment of the Banco de Londres, Mexico y Sud America.

Mr. Kearful. Will you proceed now to describe briefly the banking institutions established from that time up to the time of the accession of Porfirio Diaz in 1876?

Mr. McCaleb. With the exception of the Banco de Londres, only one other small banking institution opened in Mexico prior to the accession of Diaz. That was the Banco Santa Eulalia, in Chihuahua.

Mr. Kearful. This Banco de Londres was a branch of parent bank in London, was it not?

Mr. McCaleb. Yes; it was. There was another branch of this same institution in Lima, Peru.

Mr. Kearful. Who were the founders of this Santa Eulalia Bank?

Mr. McCaleb. MacManus was the founder. It was at first a private bank.

Mr. Kearful. What was the nationality of the founders?

Mr. McCaleb. I understand MacManus was an American citizen. The name has been well known for years in Chihuahua history.

Mr. Kearful. And who were his associates in the business?

Mr. McCaleb. I can not say. I know that he had very considerable dealings with Americans doing business across the frontiers of Texas to Chihuahua.

Mr. Kearful. Under what laws did these two banks operate?

Mr. McCaleb. The Banco de Londres operated under no special law. It came into the country and was protocolized through a judicial act. The other bank was, as stated, for several years a private institution. Later it became a State institution properly authorized to do business by the legislature of Chihuahua.

Mr. Kearful. Will you proceed now with a brief history of the banks that were instituted from the time of the accession of Diaz in 1876 to the time of his second accession in 1884?

Mr. McCaleb. With the accession of Diaz and the comparative restoration of order in 1876 there began a development of banking interests which bore early fruit.

In 1879 the Monte de Piedad was granted the right to issue notes on a basis of ₱2 to ₱1 of metallic reserve. This institution at once became substantially a bank.

Prior to the retirement of Diaz in 1880, in his farewell statement he made reference to the great progress made by the Monte de Piedad and suggested a plan for a national bank. His suggestion was early followed by the actual granting of a charter, in 1881, to the Banco Nacional Mexicano; and the following year a charter

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was granted to the Banco Mercantil, Agrícola é Hipotecario. Important arrangements were made with these two banks on the part of the Government. Certain credits were allowed the Government annually, which served as a sort of reserve against emergencies, and were, it may be stated, availed of to the fullest extent.

Also in 1882 a charter was granted to the Banco Hipotecario Mexicano. This was a mortgage bank, and the first in the Republic.

At the end of 1882 there were in operation the mortgage bank just mentioned, and five banks of emission, to wit, Banco de Londres, Banco Nacional Mexicano, Banco Mercantil, Banco Mexicano, and the Banco Minero, the last two having been founded in the years, respectively, 1878 and 1882, under the authority of the State of Chihuahua. There existed in Chihuahua still the Banco Santa Eulalia, which also had been and was a note-issuing institution, although under private management. In 1883, however, it also took on legislative warrant. We have thus displayed the phenomena of State banks and Federal banks developing in two groups, one in the far north and the later in the capital of the country.

While this banking development was taking place there was a large economic awakening throughout the country. As a matter of fact, there had been so rapid an advance that when the period of depression which swept the world in the early eighties reached Mexico certain symptoms of panic developed there also. In the spring of 1884 several incidents of importance occurred, to wit, the suspension of specie payment by the Monte de Piedad and the consolidation of the Banco Nacional Mexicano and the Banco Mercantil. These two institutions took the title of Banco Nacional de Mexico, and the capital was now fixed at ₱20,000,000, 40 per cent paid.

Mr. KEARFUL. What was the reason for the suspension of the Monte de Piedad?

Mr. McCALEB. Failure to maintain proper reserves against demand deposits and against note circulation. In short, this bank was not required under its charter to maintain reserves against deposits. When panicky times came, a run on the bank by depositors and note holders alike quickly exhausted its metallic reserves.

Mr. KEARFUL. The second accession of Diaz was in December, 1884, I believe?

Mr. McCALEB. Yes.

Mr. KEARFUL. Who was the President from the period of 1880 to 1884?

Mr. McCALEB. Manuel Gonzalez.

Mr. KEARFUL. What was the influence of Porfirio Diaz during that administration?

Mr. McCALEB. The influence of Diaz as a member of the cabinet, has been regarded as the dominant factor in the Gonzalez administration.

Mr. KEARFUL. Can you state the total amount of assets of the banks in operation at the end of the Gonzalez administration in 1884.

Mr. McCALEB. The total assets of the banks at the end of the Gonzalez period approximated ₱40,000,000.

Mr. KEARFUL. What was the security, apart from the Monte de Piedad, against the emission of notes by these banks?

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Mr. McCaleb. These banks, under their charters, were permitted to issue ₱3 in notes against ₱1 of metallic reserves.

Mr. Kearful. Will you now make a brief statement of the progress of banking from December, 1884, the second accession of Diaz, to May, 1892, when Limantour came in as head of the treasury department?

Mr. McCaleb. With Diaz there came in Dublán as minister of hacienda (treasury). He was an active, capable man, and there at once ensued, under the stimulus of great economic development throughout the country, a period of intensive banking activities.

Mr. Kearful. To what sort of enterprise was this economic development due?

Mr. McCaleb. To foreign investors. These investments were directed largely toward railway building, the development of mines, agriculture, and industries, and also very considerable sums were invested in the capitals of banks.

Mr. Kearful. Have you a statement from official sources showing the total banking assets about the time of the entry of Limantour?

Mr. McCaleb. The statement of June 30, 1892, I have, which shows the total of banking assets as ₱94,462,197. This is of interest for the reason that it marks a definite period in the banking development of the country. No additional special charters were granted by the Federal Government from this date until the enactment of the general banking law of March 19, 1897.

Mr. Kearful. As marking another period approximating that date, have you a statement from official sources showing the total banking assets at the close of the year on June 30, 1896?

Mr. McCaleb. Yes. This is a date of interest for the reason that it shows a material development in the existing banks in the Republic over this period of four years. The totals are 122,606,410 pesos.

Mr. Kearful. Will you proceed now to describe briefly the essential features of the general banking law of March 19, 1897, and the various kinds of banks organized under that law?

Mr. McCaleb. The general banking act provided for three distinct types of banks, namely, (1) banks of emission (Banco de Emision), (2) mortgage banks (Banco Hipotecario), and (3) auxiliary banks (Refaccionario).

The first type of institution was designed to take care of the commercial business of the country, extending short-time loans to merchants, manufacturers, etc., and, in a sense, is comparable to the national banks of the United States.

The second type was planned to provide long-time loans based on real estate security.

The refaccion, or auxiliary, bank was expected to serve as an auxiliary, bridging the gap between the two other systems, providing reasonably short-time credits to merchant and farmer and miner.

Mr. Kearful. Which one or more of these classes of banks had authority to issue notes?

Mr. McCaleb. The first class.

Mr. Kearful. Upon what conditions?

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Mr. McCaleb. Upon the condition that they maintained a metallic reserve of 50 per cent—that is to say, they could issue ₱2 of notes against ₱1 of precious metal in vault.

Mr. Kearful. Was that true of all the banks of emission at that time?

Mr. McCaleb. It was under the general act. The Banco Nacional and the Banco Nuevo Leon, which still enjoyed their original concessions in this respect, could issue ₱3 of notes to ₱1 of metallic reserves.

It may be added that these two latter institutions never availed themselves of the limits allowed.

The mortgage banks were permitted to issue bonds on real estate securities, but these never gained wide currency in the Republic.

Mr. Kearful. These bonds were never legal tender, were they?

Mr. McCaleb. No.

Mr. Kearful. What reforms of this original banking law were instituted, and when?

Mr. McCaleb. In 1905 a reform was initiated by Minister Limantour, dealing mainly with the segregation of the deposit accounts and the requirement of reserves against demand deposits. In 1908 a more important reform was initiated, which further affected the deposit accounts of the banks generally, compelling their segregation into demand and time deposits.

Mr. Kearful. That was the particular virtue in this requirement of segregating the different kind of deposits?

Mr. McCaleb. It enabled the examiners and the minister of Hacienda to check up more closely the actual status of the bank, particularly on the score of reserves.

Mr. Kearful. The failure to segregate such accounts and to maintain metallic reserves against demand deposits was the reason for the suspension of the Monte de Piedad in 1884, was it not?

Mr. McCaleb. Yes; the failure to maintain adequate reserves.

Mr. Kearful. What were these reforms you were about to mention?

Mr. McCaleb. One dealt with loans to directors and corporations and the other with the character of paper which these banks had been taking on. Some of them had been guilty of violating the regulations by absorbing too much long-time paper, which was a violation of the spirit and even the text of the law itself.

Mr. Kearful. And what about loans to directors?

Mr. McCaleb. Loans to directors were to be much more rigidly scrutinized and were to be limited in volume.

Mr. Kearful. Was there something about capital requirements, also?

Mr. McCaleb. Yes. An important amendment to the law required that in the future all banks of emission should have a minimum of ₱1,000,000 of capital rather than ₱500,000, as the general law prescribed.

Mr. Kearful. Have you a statement from official sources with reference to the total resources of the banks in Mexico at the time of this last reform you have mentioned?

Mr. McCaleb. Yes. The general assets totaled ₱761,000,000 in round numbers, and the capital and surplus had risen to ₱224,000,000.

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Mr. KEARFUL. In 1905, at the time of the institution of the gold standard, what organization was established in connection with that law?

Mr. McCALEB. The Comision de Cambios y Moneda was established to equalize the exchanges, to maintain a parity as between gold and silver and as related to foreign exchanges in general.

Mr. KEARFUL. What was the basis of exchange that was maintained with reference to Mexican pesos and American dollars?

Mr. McCALEB. The Mexican peso, under the law of 1905, was bimetallic. The gold peso weighed 75 centigrammes and was equivalent to 49.88 United States gold. The silver peso weighed 25 grams. This was the equivalent of the gold peso and correspondingly bore the same ratio as the gold peso to our dollar.

Mr. KEARFUL. In case of fluctuations in value between silver and gold, how was the parity maintained through the medium of this commission?

Mr. McCALEB. The commission was capitalized at ₱10,000,000. With this fund it was active in the markets. If there appeared a plethora of credits on foreign points in the markets it would buy, and in the event of excessive demand for foreign exchange it would sell. In this way it was able to maintain over a period of 15 years or more a practically steady market for the Mexican peso.

Mr. KEARFUL. That is substantially ₱2 for $1?

Mr. McCALEB. Yes; substantially ₱2 for $1.

Mr. KEARFUL. You gave the total resources of the banks in 1908. Have you a statement with reference to the growth of the auxiliary banks in the previous 10 years?

Mr. McCALEB. Yes. During that period these banks had increased their capital from ₱6,000,000 to ₱47,800,000, and their total assets had grown to ₱128,325,032.

Mr. KEARFUL. Will you proceed with a description of the organization and purpose of what was known as the Caja de Prestamos?

Mr. McCALEB. For many years Diaz and Limantour had realized the great need for a system of banks to aid the small farmer. They had striven on occasion to develop such a system. The problem had even been studied by several commissions duly appointed. In 1908, however, quite against their own plans, a single institution was organized by congressional warrant for purposes of making loans to farmers. This institution was called Caja de Prestamos para Obras de Irrigacion y Fomento. It was capitalized at ₱10,000,000, which was subscribed by some of the large banks of the country, although latterly this stock was largely unloaded abroad. It was also provided that the Government of Mexico should guarantee as to principal and interest all issues of bonds which might be floated by the said Caja de Prestamos.

Mr. KEARFUL. Was there any limit to the amount of bonds that might be interested?

Mr. McCALEB. As I recall it, there was no limit. As a matter of fact ₱50,000,000 of gold 4½ per cent bonds were issued and sold abroad.

Mr. KEARFUL. What were the operations of this institution with special reference to the carrying out of the purposes for which it was organized?

Mr. McCALEB. The actual operations of the Caja de Prestamos were very disappointing. The purpose of Diaz and Limantour had

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been wholly defeated in that the Caja did not resort to making small loans to needy farmers throughout the Republic, but promptly loaned its funds in large volume to a comparatively few borrowers.

Mr. KEARFUL. Including the entire amount of ₱50,000,000 derived from the sale of the bonds?

Mr. McCALEB. Yes. The records show that 96 individuals borrowed from the Caja a total of ₱53,540,000. The largest single loan was made to an agricultural and colonizing company in a total of ₱5,283,000.

Mr. KEARFUL. Have you the name of that company?

Mr. McCALEB. I had.

Mr. KEARFUL. Do you know the individuals who control that company?

Mr. McCALEB. I have not the names of these men, but they are easily available.

Mr. KEARFUL. Do you have any knowledge of the probability of realizing upon the securities for these loans?

Mr. McCALEB. I have not, beyond what some of my friends, who are bankers in Mexico, have told me. I find that they are divided in opinion as to the ultimate realizations from these advances.

Mr. KEARFUL. Have you any knowledge as to the class of persons to whom these loans were made?

Mr. McCALEB. I have no special knowledge beyond the fact that my informants in Mexico City have said that they were made to the friends of the directing officials of the Caja de Prestamos, some of them high in the official circles of the Cientificos.

Mr. KEARFUL. I forgot to ask you about the Banco Central, organized in 1898. Will you give a statement affecting that bank?

Mr. McCALEB. Soon after the enactment of the general banking law in 1897 it was discovered that a serious element had been neglected in the development of the machinery. While provision had been made for the organization of so-called State banks, no arrangement had been made for a unification of the system, and almost at once the bank notes issued by some of the State banking institutions in the remote ends of the Republic were circulating at a discount in certain of the markets of the country. In order to correct this serious defect in the banking organism, a central bank was proposed, to be located in Mexico City. Its chief purposes were two: First, to act as agent in the redemption at par of all notes issued by State banks; secondly, to serve as reserve agent effecting certain discounts on occasion for the State banks. Indeed, the State banks were very vitally interested in the Banco Central, since of its ten millions of capital the State banks were to absorb such quota as to leave them in control of that institution.

The Banco Central Refaccionario was, therefore, to the State banking system presumably what a Federal reserve bank is to a special district in the United States—a clearing agency and a reserve agency. The Banco Central, however, was very defective in its organism for the reason that there were no reserve requirements placed on the member banks. They kept such balances with the Banco Central as they pleased, and were very often borrowers of that institution. This had been definitely provided for and was accordingly not a healthy situation, since the Banco Central did not

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carry in its provisions the great and fundamental powers of the Federal reserve banks of the United States, to wit, the ability to expand and contract their credit requirements as the occasion demands. The Banco Central was, therefore, an extremely defective institution; the more the surprise since Limantour was truly a clear-headed banker. Doubtless had he been permitted to continue his work these shortcomings would have been remedied.

Mr. KEARFUL. What statement have you with reference to the resources and assets of the various banks in Mexico, approximating the time of the outbreak of the Madero revolution in 1910?

Mr. McCALEB. I have with me tables showing résumés of conditions on June 30, 1909. Tables are extant, however, covering the next two or three years.

Mr. KEARFUL. What was the condition shown by the tables you have?

Mr. McCALEB. For 1909?

Mr. KEARFUL. Yes.

Mr. McCALEB. The total assets of the banks of issue on June 30, 1909, were ₱736,191,398. The capital amounted to ₱118,800,000. There were notes in circulation totaling ₱92,221,477. There were demand deposits of ₱71,910,424.

For the auxiliary banks at the same date, there was exhibited a capital of ₱47,800,000, the total assets reaching ₱128,375,032.

For the mortgage banks under the same date, we find a capital of ₱10,000,000; total resources of ₱51,934,102.

Mr. KEARFUL. At the time of the outbreak of the Madero revolution in 1910, have you any information with reference to the indebtedness of the Madero family to the banks?

Mr. McCALEB. I have a statement made to me by a banker who sat in on a conference attended by the various creditors of the Madero family. I may not give his name, but I have reason to believe the statement to the effect that the Madero family owed the banks of Mexico approximately ₱8,000,000.

Mr. KEARFUL. From the time of the fall of Porfirio Diaz to the fall of President Madero, please briefly state the condition with reference to the progress of the banks. Just in a brief way, first, without giving the figures.

Mr. McCALEB. From the fall of Diaz through the Madero administration there were changes, to be sure, in the banking situation down there. They were not vital, one way or the other. The banks gained to some extent in assets, but were affected to some extent by the disquiet of the country at large.

Mr. KEARFUL. How were the banks affected after the fall of Madero in February of 1913 up to the time of the abdication of Huerta in July, 1914?

Mr. McCALEB. This was a vital period; but, first of all, the banks were directly affected by the revolution which tended to upset all economic arrangements. Business uncertainties developed, but the banks found themselves with increased deposits and slacker demand. They ceased paying interest on deposits, which exemplified the general relaxation. The difficulties of the government, however, were soon to be visited upon the banks.

Mr. KEARFUL. Just state what the difficulties of the government were and how the banks were made to respond.

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Mr. McCaleb. Huerta, who had succeeded Madero, soon became embarrassed financially and called upon the banks to come to his assistance. He proposed to the banks that if they would advance him certain moneys he would modify the law requiring one peso in metallic against two pesos of notes to be extended to cover three pesos of notes. In this way he brought the banks to take over bonds, which were a portion of the 20,000,000-pound issue authorized by the Madero Congress in 1912. Huerta was in this way able to finance himself for a time, putting in circulation approximately ₱45,000,000, in round numbers, of bank notes. He turned over to the banks ₱48,493,180 of government bonds.

Mr. Kearful. Was this ratio of three to one availed of by the banks at that time fully?

Mr. McCaleb. It was not.

Mr. Kearful. How did this operation affect the operation of the banks, if at all?

Mr. McCaleb. It did not vitally affect the operations of the banks. The decree of Huerta extending the limits fixed for circulation of notes was not in itself fatal to the banking institutions of the country. Much more important was the effect on the public at large.

Mr. Kearful. Go ahead and state what that was.

Mr. McCaleb. The demoralizations which were spreading ever wider of revolution were sending slowly a panic through the country.

Mr. Kearful. At this time the revolution of Carranza had been started and was growing in the North?

Mr. McCaleb. That is true; and on account of the dispensations of Huerta with respect to the banks and his declaring in a decree that the tostón, or 50-centavo piece, together with the bank notes of the country, should be legal tender for a year, disturbances were set in motion which were nearly fatal to business in general and to the equilibrium of the country.

On the other hand, the revolutionary disturbances in the North were playing their part in the disintegrating movements of the times. So far as banks were concerned, they were alarmed at the early reports which came in of Carranza's levying on all institutions in the occupied territory.

Mr. Kearful. What was Carranza's attitude toward the banks as registered by his acts from the beginning of his revolution?

Mr. McCaleb. In his circular dated December 6, 1913, he levied tribute on the banks in the State of Coahuila. Circular 8, dated February 18, 1914, set out that he had taken over in Nogales the branches of the Banco Nacional and Sonora. In Hermosillo he took over the Banco de Sonora and the branches of the Banco Nacional, Minero, and an agency of the Banco Occidental. Debtors to these institutions were ordered to suspend payments until these banks could be liquidated.

Mr. Kearful. What was done by Carranza and his forces with reference to banks at the time and subsequent to his entry into the capital in August, 1914?

Mr. McCaleb. As Carranza had advanced, in all cases, under severe penalties, banking institutions were forced to receive in payment of their bills receivable the fiat currency or the fiat paper currency of Carranza. When he reached the capital of Mexico, in

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August, 1914, he carried with him bundles of fiat paper which was immediately put in circulation, and incidentally it may be said that all metallic coins of every description dropped out of sight.

Mr. KEARFUL. And the bank notes issued by the banks of emission—what happened to them?

Mr. McCALEB. They also disappeared, and I might add, showing further his disposition toward banks, on September 29, shortly after he entered the capital, Carranza ordered special inquiries to be made into the conditions of the banks throughout the country.

Mr. KEARFUL. What was the result of those inquiries?

Mr. McCALEB. During the winter and early in the spring a number of reports by his examiners were made showing the conditions of those institutions to be well within the limits of the law—not as modified by the Huerta decrees but as determined by the general act itself.

Mr. KEARFUL. You refer to an act passed long previously?

Mr. McCALEB. Yes; in 1897. As far as I have examined those statements I found that they measure up to the terms laid down.

Mr. KEARFUL. In the law?

Mr. McCALEB. Yes.

Mr. KEARFUL. What was the effect of the enforcement of this fiat money upon the banks of the country?

Mr. McCALEB. Being forced to receive in payment this fiat currency worked serious losses to the banks. This fiat paper fell in time to such a low price in the markets that it could be bought for insignificant sums. Debtors to banks naturally availed themselves of the opportunity to purchase this paper and paid their obligations to the banks. To illustrate, the Banco Nacional suffered losses of approximately ₱30,000,000 through transactions of this character; but it was able to recoup ₱7,000,000 of this loss through liquidating deposits with this fiat currency and through the purchase of its own notes with this cheap paper. In short, the Banco Nacional stood loser in the sum of ₱23,000,000, in round figures. If the other banks of the country suffered in similar measure, it may be estimated that the banks lost, in round numbers, probably ₱50,000,000. Indeed, this may be far under the losses actually to be traced to fiat currency operations.

Mr. KEARFUL. Will you now give a brief statement of the taking over of the banks and the appropriation of their metallic reserves by the Carranza government?

Mr. McCALEB. Over the summer of 1916 Carranza slowly saw the failure of his infalsificable currency schemes, which will be referred to later, and his financial situation was desperate. Finally, his fiat currency completely failed; the public would no longer accept it at any price whatsoever, and at once barter held sway and slowly silver and gold began to come out of hiding, and the country was again on a hard metal basis.

But the Government had no hard money, and taxes were slow to provide ways and means. On September 15 Carranza decreed that the charters of the banks of emission were abrogated.

Mr. KEARFUL. Is that September 15, 1916?

Mr. McCALEB. Yes, sir; and interveners for the Government were at once put in possession of these institutions.

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Mr. KEARFUL. What was done with the metallic reserves of the banks?

Mr. McCALEB. The metallic reserves were immediately appropriated by the Government as their needs commanded.

Mr. KEARFUL. Have you a statement based upon official information as to the total amount of the metallic reserves that were so appropriated?

Mr. McCALEB. I have. Up to September 30, 1918, the Carranza government had borrowed from the banks ₱53,162,933.95.

Mr. KEARFUL. This amount was all taken in gold and silver, was it not?

Mr. McCALEB. Yes.

Mr. KEARFUL. And in the process of liquidation what became of the money collected by the interveners of the Government?

Mr. McCALEB. As funds have been collected the statements supplied me by the Carranza officials will show that they have been diverted to Government uses. For example, two statements supplied me, as of February 28, 1918, and September 30, 1918, show that the Government has received from these banks as between these dates ₱3,350,716.95.

Mr. KEARFUL. Did you, in the progress of your investigation in Mexico City, receive any statement from officials of the treasury department of the Government justifying their acts in reference to the liquidation of the banks and the borrowing of metallic reserves?

Mr. McCALEB. Yes.

Mr. KEARFUL. By whom was that statement made?

Mr. McCALEB. By Señor J. G. Camacho.

Mr. KEARFUL. What was his position?

Mr. McCALEB. Chief of the department of banks.

Mr. KEARFUL. Who was the minister of the department of the treasury?

Mr. McCALEB. The acting minister was Rafael Nieto, and the statement, I may add, supplied me by Camacho was authorized by Nieto.

Mr. KEARFUL. Have you a correct translation of that statement in English?

Mr. McCALEB. I have.

Mr. KEARFUL. Will you produce it for the record, please?

Mr. McCALEB. Yes.

(Witness produced a paper which he handed to Mr. Kearful.)

Mr. KEARFUL. The statement referred to will be inserted in the record at this point.

(The statement referred to is here printed in full, as follows:)

The notes contained in the chapter entitled "Banking" of the work, What is the Revolution? (Que es la Revolucion), written by Señor Don Antonio Manero—and which notes I believe will be considered reliable—display with great clearness the fundamental defects of the organization of the institutions of credit in the Mexican Republic, which defects may be synthesized thus: Privileges illegally granted, bad management, and very bad investments.

In fact, both the General Law of Institutions of Credit in force during the régime of Gen. Diaz and the concession contracts of the banks of issue were promulgated and granted in flagrant violation of our constitution of 1857, which provided definitely that no private concern shall enjoy privileges.

The banks in all their business operations were exempt from the payment of federal, local, and municipal taxes, and in order to foreclose their debtors

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they were not obliged to go to the courts of the Republic, but could accomplish that without the intervention of the judicial authorities.

All law must be considered as unconstitutional—even though it may have been decreed by the legislative houses of the union—when it exceeds the powers and prescriptions defined by the Constitution [Carta Fundamental].

The Huerta Government—denied needed resources by foreign countries through the decisive influence of nonrecognition by the United States—found it necessary to have recourse to the natural resources of the country and obtained from the banks a loan of about ₱40,000,000; through granting to them the right of raising the ratio of issue from two-to-one to three-to-one, without increasing the reserve. It declared bank notes, their own issues, legal tender throughout the Republic, which initiated the depreciation of the fiduciary paper.

The revolution, triumphant and carrying into practice its principles of justice, and cognizant besides of the fact that upon the banks was founded the power of the conservative classes which had directly supported the Government of Gen. Diaz, and which had overthrown the constitutional administration of Senor Madero, and elevated Huerta by the coup d'etat of February—there was issued a series of laws tending to modify the banking organization in the Republic and to establish it upon the basis of justice, in order that it might fill its true mission in the life of the people.

Under date of September 29, 1915, it was ordered that the banks should adjust their circulation according to article 16 of the General Law of Institutions of Credit.

None of the banks could comply with the provisions of the above-mentioned regulation, and as the decree by the Huerta Government was illegal—on account of that administration having come into being, not by the will of the people, but through crime and force—the failure of the banks to adjust themselves to what the laws provided would have warranted the Government in declaring the confiscation of their concessions.

On analyzing the problem more deeply, it is to be seen that such concessions were subjected to defects in their origin, as stated before; and such was the foundation of the decree of September 15, 1916, by which the General Law of Institutions of Credit was declared abrogated and the concessions of the banks of issue declared null and void.

On formulating such regulation, consideration was given that the notes in circulation in the hands of the public should be guaranteed in some way, as well as the deposits which the public had confided to the institutions of credit.

These two conditions demanded the intervention of the public authorities in the banks of issue, so that those two matters should have attention in such manner that the interests of the public should not be prejudiced.

It seems unnecessary to emphasize the fact that the bad situation of the banks does not arise in any manner from the revolutionary movement or from the laws decreed by the latter, for such a state of affairs originated in the régime of Gen. Diaz, from causes which may be ascertained and to which I have previously referred.

The decree of December 14, 1916, having been promulgated, the Government intervened in the banks, and its concern with the institutions of credit has not been other than to procure by all possible means the conservation of the interests of the public performing all those operations which looked to the evading of a crisis and to facilitating the liquidation of the banks referred to. Such work has been very difficult, for, owing to their previous bad management, their portfolios are stuffed with unrealizable securities which have depreciated and which in reality do not represent even 30 per cent of the values at which they are carried on the books.

The bankers maintain that they saw themselves forced to accept great quantities of fiat paper in payment of their loans; but they do not admit that they were the direct cause of the depreciation of the issues put out by the Government, nor do they refer to the great quantities of their own notes bought with the other issues at truly ridiculous prices, as well as the many deposits which they liquidated at par in the same currency.

The legal regulations, upon which are based the acts of the Government, are included in the collection of decrees which I inclose with this short memorandum. Before concluding, I will permit myself to add that it is a matter already extensively debated and practically decided that the system of plurality of banks of issue is less efficient than one centralizing the matter of emissions.

Such an error in our banking system was recognized by Limantour himself, its founder, and in 1908 he tried to correct it by the issuance of a modificatory

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law of the General Law of Institutions of Credit, aiming to bring about the transformation of the banks of issue into refaccionario banks, and looking toward the end that the Banco Nacional should be the only bank of issue in the country. Such result could not be realized.

As the present Government of Señor Carranza is sure of the justice and honesty of its proceedings, all the data will be furnished to you that you may judge pertinent or necessary for the publication of your work.

Necessity is the supreme law; for the public affairs of the nation the Government saw itself under the necessity of disposing of part of the metallic reserves of the banks of issue; but such sums will be paid over by the Government without loss to the institutions of credit.

This sum amounts to $49,812,217.16, as you may see for yourself by the consolidated general balance which is supplied you.

Said quota as supplied by the banks are considered in their balances as cash on hand, now that the nation is responsible for them.

Mr. KEARFUL. In the beginning of this statement the author refers to a book entitled, "What is the Revolution?" by Antonio Manero, which he considers reliable. Who, if you know, was Antonio Manero?

Mr. McCALEB. He was formerly an employee of the Banco Nacional.

Mr. KEARFUL. What was his record as to reliability?

Mr. McCALEB. Bad, according to my understanding; and certainly he is not a student or economist.

Mr. KEARFUL. In the second paragraph of the statement the author asserts that the charters of the banks of issue were in flagrant violation of the constitution of 1857, which provided that no private concern shall enjoy privileges; and, further on, he justifies the act of the Government in annuling the bank charters and the general banking law on the ground that those charters and the law were unconstitutional.

What, if any, information have you with reference to statements made by Rafael Nieto, the acting minister of the department of the treasury, with reference to that point?

Mr. McCALEB. In an interview, reported in El Pueblo as of May 3, 1918, Nieto said:

In effect, of the 26 banks of emission and auxiliary in the Republic 20 must be declared in bankruptcy, since their assets will not cover by wide margins their liabilities, even though the Government should pay immediately and in full its obligations to them. Three of the remaining banks are not in a bad condition, but their capital is so small that they can be of little support in the organization of a new system of credit. The other three banks, although they may be able to cover their liabilities, taking into account what the Government owes them have lost nevertheless almost wholly their capital.

Mr. KEARFUL. In what respect do you regard that statement as being inconsistent with the position taken in the written statement made to you?

Mr. McCALEB. The statement to me declares that these banks were hopelessly insolvent and that they were operating in violation of the Constitution, which offered sufficient excuse for their being thrown into liquidation.

According to Señor Nieto's statement, at least six of them did not deserve to be thrown into liquidation unless this act had been taken under warrant of law and their unconstitutionality proven.

Mr. KEARFUL. What, if any, recent statement by President Carranza appears to be in conflict with the proposition that those banks were operating in violation of the Constitution of 1857?

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Mr. McCaleb. In the President's message to Congress, this year, he stated, with respect to banks:

As yet the law has not been passed to which the final liquidation of the banks of emission and the auxiliary banks shall be subjected. Consequently the legal state in which these institutions find themselves is the same that prevailed a year ago.

Mr. Kearful. In this same message President Carranza refers to the fact that negotiations have been carried on looking toward permitting the banks of emission, whose financial condition appears satisfactory, to have such facilities as they may need to liquidate themselves or, he continues:

They may continue to operate as institutions of issue.

Is it not apparent to you that a proposition to negotiate in order that the banks of emission may continue to operate as institutions of issue is inconsistent with the proposition made to you that as institutions of issue they were operating contrary to the Constitution?

Mr. McCaleb. Yes; it strikes me as an inconsistency.

Mr. Kearful. He further said in his message that—

"The result of these negotiations is on the whole favorable to the public interest and to trade, and the conditions will permit sound banks to again begin their operations.

Is it possible to reconcile the proposition of permitting such of the banks as were sound to again begin their operations if their operations since their inception had been contrary to the Constitution?

Mr. McCaleb. It does not seem logical to me.

Mr. Kearful. In another pargraph of the statement made to you, which has been referred to, the author said:

The banks maintain that they saw themselves forced to accept great quantities of fiat paper in payment of their loans, but they do not admit that they were the direct cause of the depreciation of the issues put out by the Government.

Do you think it is correct that the banks were the direct cause of the depreciation of the issues put out by the Government?

Mr. McCaleb. I do not. I think it wholly incorrect.

Mr. Kearful. What was the direct cause of the depreciation?

Mr. McCaleb. There were several causes, and they are perfectly understood. There are certain laws which affect the circulation of fiat paper currency which are well known and understood. No country has succeeded in keeping a fiat currency in circulation without having to provide for definite metallic redemptions; and the Carranza Government having issued wholly a fiat currency, with no metallic reserves, and in interminable volume, could not have expected any other result than that eventually it would be so much worthless paper.

Mr. Kearful. Would it not then be correct to say that the Carranza Government which has taken that course was the direct cause of the depreciation, rather than the banks?

Mr. McCaleb. In my opinion that is quite correct.

Mr. Kearful. Is it not true that the banks were victims of this operation?

Mr. McCaleb. They were undoubtedly victims of circumstance, and suffered losses accordingly.

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Mr. KEARFUL. The statement made to you by Camacho and Nieto goes on to insinuate that the banks benefited through the depreciation of those issues of fiat money because of—

the great quantities of their own notes bought with the other issues at ridiculous prices as well as the deposits which they liquidated at par in the same currency.

What can you say with reference to the correctness of that statement?

Mr. McCALEB. As stated above in my testimony, the records, so far as I have been able to uncover them, appear to disprove this insinuation. In short, the banks suffered very material loss through the fiat currency operations.

Mr. KEARFUL. You did state that the banks of issue were able to recoup by being able to buy in their own notes at a discount, and also to liquidate a part of their deposits in this depreciated currency. Did the advantages of these two classes of operations equalize the losses which the banks suffered by reason of having forced upon them the depreciated currency?

Mr. McCALEB. Not according to my information.

Mr. KEARFUL. For instance, you stated that according to your information the Banco Nacional had suffered loss to the extent of 30,000,000 pesos, and that it had been able to recoup through purchases of its own notes and liquidation of deposits in depreciated currency to the extent of about 7,000,000 pesos.

Mr. McCALEB. Yes; that is true. It would be necessary, I may say, to see the balance sheets of these institutions before any final tabulation can be made as to final results.

Mr. KEARFUL. The statement made to you refers also to the inefficiency of a system of plurality of banks of issue and contemplates the establishment of a single bank of emission. What can you say, if anything, with reference to the progress of the project of establishing a single bank of emission in Mexico by the Carranza Government?

Mr. McCALEB. The constitution of 1917 provides for a Banco Unico, which shall be a bank of emission. Arrangements were made for the inauguration of this bank last spring a year ago. The notes had been printed, but nothing further has been done, for the reason that the Government has not been able to mobilize metallic reserves sufficient to enable it to open its doors.

Mr. KEARFUL. What difficulties has the Government encountered, if you know, with reference to the establishment of an adequate metallic reserve for such a bank? Has the Government made any attempt to borrow the money?

Mr. McCALEB. I understand the Government has made two or three serious efforts, not only in the United States but abroad, to borrow funds, some of which I understand were to have been dedicated to the purpose of financing the Banco Unico.

Mr. KEARFUL. Mr. Lill, in testimony previously given before the committee, makes the statement that the yearly income of the Mexican Government at the present time is about 130,000,000 pesos. Why is it that a sufficient portion of that income could not be utilized to establish a metallic reserve for such a bank or arrange for the flotation of loans to secure such metallic reserve?

Mr. McCALEB. If any such sum as 130,000,000 pesos per annum is raised in Mexico at the present time through taxation, or what not,

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the Mexican Government admittedly confesses it is insufficient to pay current accounts; much less can it hope to set aside any portion of its revenues for the purpose of creating metallic reserve for its Banco Unico.

Mr. KEARFUL. What do you mean by current accounts?

Mr. McCALEB. Its current expenses, the payment of its soldiers, its schoolteachers, the payment even of the employees of the hacienda. When I was in Mexico in May, 1918, on one day, especially, I remember there was a great furor in the national palace, and I discovered that the employees of the hancienda were clamoring for a portion of their salaries.

Mr. KEARFUL. Does not the Mexican Government also confess inability to pay any of the interest on its indebtedness?

Mr. McCALEB. It does.

Mr. KEARFUL. Are you informed as to whether the Carranza Government has ever paid any interest on any of its indebtedness or any of the depositors of the banks or the creditors of the banks from which it has taken the money, or anything to the stockholders of those banks?

Mr. McCALEB. So far as my knowledge extends, the Carranza Government has paid nothing on its outstanding funded obligations; except, I think, I may qualify this by saying that according to report it has made three small payments to the bondholders who converted their Veracruz currencies under the special decree calling for their retirement. They were very insignificant.

Mr. KEARFUL. Can you state the amounts paid?

Mr. McCALEB. The total for the three payments amounts to less than 3,000,000 pesos.

Mr. KEARFUL. Have you any idea that the Carranza Government would be able in any way to secure a sufficient metallic reserve for the establishment of the bank mentioned?

Mr. McCALEB. I do not think so. As further evidence of this apparent discouragement on the part of the ruling régime in Mexico, the project for the Banco Unico and the project for a general banking system covering institutions of credit have been recently withdrawn from the Congress.

Mr. KEARFUL. The statement made to you by Camacho and Nieto refers also to the fact that there existed a large amount of unrealizable securities in the possession of the banks which had very largely depreciated. What have you to say with reference to the responsibility in general for the depreciation of the securities of banks?

Mr. McCALEB. It is not surprising that the banks should find themselves loaded up with slow and neglected paper, due to revolutionary conditions.

Mr. KEARFUL. Do you think, then, on the whole, that the revolutionary conditions were more responsible than bad management for this condition?

Mr. McCALEB. I do.

Mr. KEARFUL. What might have been bad management in the view of the revolution would have been perfectly good business if the country had remained in a state of order; is not that true?

Mr. McCALEB. I think it is. It seems to me that such a proposition is self-sustaining, that it is perfectly conceivable that a chattel mortgage on a herd of cattle made under normal conditions was

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what might have been considered a good loan. Under revolutionary conditions this security completely disappears. Result: A bad loan, or a loan, at all events, requiring attention and husbanding under normal conditions.

Mr. KEARFUL. If disorder continues, the security for a loan of that kind absolutely disappears, does it not?

Mr. McCALEB. It is very likely to; and the moral and other responsibilities of the maker may be lost entirely.

Mr. KEARFUL. What you have stated in reference to a chattel mortgage on a herd of cattle is generally true, is it not, with reference to all chattel mortgages and also personal indorsements?

Mr. McCALEB. That is measurably true. Also it might be added that when loans are secured by deposit of stocks and bonds, these stocks and bonds may through revolution be terribly affected through the destructive processes.

Mr. KEARFUL. If, for instance, a manufacturing establishment that had issued stocks and bonds was looted and destroyed, such stocks and bonds would become practically worthless except in so far as there might be liability for such destruction. Is not that true?

Mr. McCALEB. Yes; as I conceive it, it is true.

Mr. KEARFUL. In the face of such a destruction, leaving perhaps a doubtful claim only to be resorted to, certainly nothing could be realized or presently realized upon such stocks or bonds; is not that true?

Mr. McCALEB. That is quite true, until reconstruction processes have set in.

Mr. KEARFUL. In a situation of that kind it would be impossible for banks holding such securities to realize upon them for the purpose of maintaining their reserves; is not that correct?

Mr. McCALEB. As I understand it, that is true.

(Whereupon, at 5.25 o'clock p. m., an adjournment was taken until to-morrow, Wednesday, November 25, 1919, at 11 o'clock a. m.)

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INVESTIGATION OF MEXICAN AFFAIRS.

TUESDAY, NOVEMBER 25, 1919.

UNITED STATES SENATE,
SUBCOMMITTEE ON FOREIGN RELATIONS,
Washington, D. C.

Testimony taken at Washington, D. C., November 25, 1919, by Francis J. Kearful, Esq., in pursuance of an order of the Subcommittee of the Committee on Foreign Relations of the Senate:

TESTIMONY OF MR. WALTER FLAVIUS McCALEB—Continued.

Mr. KEARFUL. At the last session you referred to President Carranza's statement that negotiations were in progress looking to the resumption of operations by some of the banks whose charters had been revoked on the ground that they had been operating under charters and laws contrary to the Constitution. Have you any further information with reference to the resumption of operations by any of those banks?

Mr. McCALEB. I understand that the Banco Nacional has been permitted to resume exchange operations, which probably presages a more liberal attitude on the part of the Government.

Mr. KEARFUL. And such operations are conducted by the Government officials in charge of the bank, are they not?

Mr. McCALEB. That is ultimately true. The Government interveners must O. K. all transactions.

Mr. KEARFUL. The profits derived from such operations are appropriated by the Government, the same as other assets of the bank, as they come into the hands of the officials?

Mr. McCALEB. If past experience can be accepted as affording criteria for judgment, then I should say that would be the result of all operations undertaken by banking institutions, so long as they remain in the hands of the Government.

Mr. KEARFUL. You do not understand, do you, that this bank is permitted to purchase its notes, which are at a large discount in the market?

Mr. McCALEB. The bank has not been permitted to undertake independent operations in any direction. As for purchasing its notes in the open market, first of all, it has had no funds wherewith to make such purchase. As indicated in an earlier answer, according to the statements issued by the Government, it is shown that as rapidly as moneys are accumulated, through whatever device on the part of the bank, they are absorbed by the Carranza Government.

Mr. KEARFUL. I should like to have you make a comparison of the condition of banks at the time of the fall of Huerta and at the present time, beginning with the shrinkage of assets.

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Mr. McCaleb. The total of assets for banks of issue as of June 30, 1914, reached ₱731,546,377. The total assets admitted as of September 30, 1918, were ₱396,414,070.

Mr. Kearful. Admitted by whom and in what manner?

Mr. McCaleb. Admitted by the present Government in a statement prepared by the department of banks and sent to me by Señor Camacho, the chief of that department. I ought to explain, however, that the totals of two banking institutions are not included in the statement, which would make a difference of a few million pesos.

Mr. Kearful. What two banks are those referred to?

Mr. McCaleb. The Banco Minero, of Chihuahua, and the Banco de Sonora. The latter bank has made no statements to the Mexican Government for a number of years, for the reason that it managed to escape over the border into Arizona with its metallic assets and with its portfolios, and since that time it has been doing business under an Arizona charter. As for the Banco Minero, no report is indicated from it in the two specially prepared statements given to me by the department of banking in Mexico.

Mr. Kearful. How do you account for that?

Mr. McCaleb. Perhaps it may be explained through the isolation of the parent bank. I know no fully satisfactory reason for this state of affairs.

Mr. Kearful. What was the total of the assets of these two banks according to the last statement available?

Mr. McCaleb. According to the detailed statement published as of June 30, 1914, the Banco Minero had assets of ₱24,997,483.96. This total, of course, would be subject to the same shrinkage as the others; that is, it would be reduced about half, if the assets of this institution have dwindled as have the assets of those banks which are reported by the Government.

Mr. Kearful. You are speaking as of June 30, 1914?

Mr. McCaleb. Yes.

Mr. Kearful. And not referring to the shrinkage as of the present time?

Mr. McCaleb. No; I am referring to the shrinkage as between the dates June 30, 1914, and November, 1919.

The Banco de Sonora had assets in June, 1914, of ₱13,299,887.11. Of course, as to this bank the Mexican Government has no knowledge, hence no statement is made of its assets as of the present time.

Mr. Kearful. Proceed with the comparison with reference to the capital and surplus of the various banks.

Mr. McCaleb. In June, 1914, the capital of the banks of issue totaled ₱115,525,000. The surplus amounted to ₱44,127,188.24.

The total capital and surplus of the banks of issue, the auxiliary banks and the mortgage banks amounted to ₱205,194,287.

As compared with this, the capital admitted as of September 30, 1918, of the banks of issue is ₱109,205,000. The surplus funds amount to ₱38,992,409.

The statement of September 30, 1918, shows notes in circulation totaling ₱123,728,820.50.

There is before the Government the problem of rendering account to the depositors, to the stockholders and to the noteholders of a definite stewardship. That the Government has assumed a direct liability to these three classes of people there can scarcely be a doubt.

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It has taken over the banking institutions ostensibly with a warrant of law. After three years in which liquidations have proceeded to some extent, the Government is brought to the point of making the pronouncement that at least some of the banking institutions may resume their functions.

Mr. KEARFUL. Speaking of the resumption of operations, does that mean that the Government is prepared to restore the metallic reserves and make good the assets that have been collected and appropriated?

Mr. McCALEB. I think as a matter of fact at the moment it would be impossible for the Government to restore the moneys which it took from the vaults of the banks; nor do I think it possible for these institutions to resume their full functioning until these reserves have been restored; and besides, certain moratoria would need for a time to be maintained with respect to deposits, redemption of notes, etc.

Mr. KEARFUL. Have you heard of any proposition by the Government to restore the reserves for the purpose of enabling the banks to proceed?

Mr. McCALEB. Nothing definite. There has been some talk among officials about permitting the banks to resume business, but the Government has been helpless in the matter of restoring to the banks the reserves which they took away with the explanation that they were appropriated in order to guarantee the redemption of the notes in circulation.

Mr. KEARFUL. Is it not true that the current expenses of the Government far exceed its total revenues from all sources?

Mr. McCALEB. It is true in my opinion.

Mr. KEARFUL. Is it not also true that the Mexican Government has made several attempts to borrow money for banking purposes and has been unable to do so?

Mr. McCALEB. That is my understanding, and I think I have somewhere stated that under present conditions it would be impossible in my opinion for the Mexican Government to borrow money from any legitimate banking source.

Mr. KEARFUL. Will you please proceed with a statement, if you are able to do so, in reference to the probable amount of liability of the Mexican Government to the banks, their shareholders, noteholders, and depositors.

Mr. McCALEB. The position I take with respect to the losses engendered through Government intervention in the realm of banks must deal in the main with generalities, so far as losses are concerned. I think that both in morals and in law if it can be shown that the Mexican Government unlawfully took over the banking institutions of the country, depleted the metallic reserves, and held these institutions for three years or more in complete subjugation to the will of the Government, that the Government must perforce have assumed a liability to noteholder first of all, to depositor, and lastly to stockholder. To the latter undoubtedly will be due an accounting for his capital invested as well as for dividends covering the intervened years, and also an accounting for the destruction wrought in the going values of these institutions. Just what these totals may work into no one can say. That depends on the assets remaining in the banks and with what degree of intelligence they are liquidated.

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But certainly, in all good faith, the Government must see that the noteholders are paid at par, that the deposits are liquidated at par, and that the shareholders shall be fully reimbursed.

The notes outstanding in the last statement available as of September 30, 1918, totaled ₱123,728,000; deposits, ₱41,000,000; capital and surplus, ₱148,025,000.

Besides these data the capital of the auxiliary banks amounts to a total of ₱28,200,000, surplus of ₱700,000, deposits of ₱19,000,000, bonds outstanding as of June 30, 1914, ₱7,000,000. If we allow for the going values of these institutions, that figure, based on previous earnings, can be conservatively estimated at ₱50,000,000.

This would give a grand total of assumed liabilities of ₱438,900,000.

As an offset to this amount the Mexican Government would have the assets of the banks, which it has estimated officially to be worth not in excess of 30 per cent of their face values. If the Mexican estimate is correct and the total assets of the institutions can be liquidated for not more than ₱188,400,000, the Government stands to lose through its interference with the banks approximately ₱225,000,000.

Mr. KEARFUL. Do you know of a statement made by President Carranza with reference to the amount of outstanding bank notes and the amount at which they might be taken up?

Mr. McCALEB. Yes; he referred to this in his message to Congress of September, 1918, giving a total of the outstanding bank notes, which at that time approximated ₱126,000,000. He remarked that these could be bought in the market for approximately ₱25,000,000.

Mr. KEARFUL. Have you made a study of the budgetary operations of Mexico from the earliest times?

Mr. McCALEB. Yes: I have.

Mr. KEARFUL. Have you an authoritative statement with reference to the financial conditions of Mexico under Spanish rule?

Mr. McCALEB. Yes; I have.

Mr. KEARFUL. What does that statement show with reference to receipts and expenditures?

Mr. McCALEB. That statement shows that the net revenues of Mexico for an average year amounted to ₱8,855,402; that there were exported ₱3,011,664; leaving to cover the costs for the operations of the Government of Mexico ₱5,843,738.

Mr. KEARFUL. Were the expenses of the Government more or less than the amount designated for that purpose?

Mr. McCALEB. The experience of the Colonial Government over many years showed that the revenue collected had been ample to cover the costs of the administration, and, besides, a substantial quota was exported.

Mr. KEARFUL. What was the condition of revenue and governmental expenses beginning with the revolution of Hidalgo in 1810?

Mr. McCALEB. For several years following 1810 there was the utmost confusion throughout the country. The budgetary statements are fragmentary. In 1819 the country was almost pacified and there was nearly a return to the earlier conditions. However, things turned for the worse, culminating in 1821 in the achievement of the independence of the country.

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In 1822, however, we find the Mexican Government struggling with its budget. That year they reported revenues at ₱9,328,740, with expenditures of ₱13,455,377.

Mr. KEARFUL. From that time forth when was the first year in which the revenues exceeded the expenses of the Government?

Mr. MCCALEB. In answer to that question I may say that the budgetary equilibriums were not restored in Mexico until 1895.

There was a point I wish to call your attention to in connection with the budget for 1822. There was entered in the expenditures, covering the war and Navy for that year, a total of ₱9,430,790, an item almost double the costs covering the whole of the administration of Mexico under the Spanish régime. And I may answer that during the subsequent years down to the time of Porfirio Diaz the appropriations in this division of the budget were excessively large as compared with the total of expenditures.

Mr. KEARFUL. Was there ever a time from 1822 to the time of Porfirio Diaz when the revenues of the country were sufficient to meet its current expenses?

Mr. MCCALEB. Probably not, if one excludes from the sources the extraordinary elements, such as anticipated taxes and enforced loans.

Mr. KEARFUL. In what year did the budget show a net balance in favor of the Government for the first time after 1822?

Mr. MCCALEB. For the fiscal year ending June 30, 1895.

Mr. KEARFUL. For how long did that condition continue?

Mr. MCCALEB. That condition continued down to June 30, 1913.

Mr. KEARFUL. You might give the figures for June 30, 1895.

Mr. MCCALEB. The budget totals for the fiscal year ending June 30, 1895 were on the revenue side ₱43,945,699, and on the expenditure side ₱41,372,265, leaving a net credit balance of ₱3,706,387.

Mr. KEARFUL. Now, give the totals for the fiscal year ending June 30, 1913.

Mr. MCCALEB. On the revenue side we have ₱109,257,500; on the expenditure side we have ₱109,245,944.

Mr. KEARFUL. What were the totals shown for the fiscal year ending June 30, 1914?

Mr. MCCALEB. In the revenue account we have ₱129,607,000; expenditures amounted to ₱141,156,332.

Mr. KEARFUL. What has been the budgetary condition since that date?

Mr. MCCALEB. For the next year ended June 30, 1915, we have totals given from fairly responsible sources of ₱145,957,000 on the revenue side as against expenditures of ₱152,204,898, and from that date forward there are not available, so far as I know, any trustworthy figures covering budgetary operations.

Mr. KEARFUL. Did you make an effort to ascertain those figures when you were making your investigation in Mexico in 1918?

Mr. MCCALEB. I did. I exerted myself to the utmost to discover any figures upon which reliance could be placed, but my efforts were unavailing.

Mr. KEARFUL. What did the officials of the department of the treasury tell you with respect to those figures?

Mr. MCCALEB. The officials explained to me, with apologies always, that the data had not been assembled. Senor Nieto, acting

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head of hacienda, called in a number of his under officers and gave them instructions to find for me and give me all possible assistance in the matter of my search for budgetary data, and I regret to report that beyond banking statements and certain tax statements I gained no information which would at all enable me to construct a budgetary statement for any particular year.

Mr. KEARFUL. What information have you from official messages of President Carranza with reference to budgetary operations?

Mr. McCALEB. In his message to Congress of September, 1918, the President stated that the estimates covering expenditures for the year 1918 reached a total of ₱187,135,871.41, but that this total would have to be increased to ₱199,000,000 approximately, on account of the creation of new departments, and on account of expenditures incurred through the establishment of military factories, but he says that based on specific expenditures during the period ending July 31 he figured that the total expenditures of the country would not exceed ₱155,000,000 for the year ending December 31.

Mr. KEARFUL. What did he say, if anything, with reference to revenues?

Mr. McCALEB. On the score of revenues he said that he was glad to inform Congress that they had reached a point of covering the absolute necessities. He itemizes the sources of his revenues under customs dues over a period running from the 1st of September, 1917, to the 31st of May, 1918, as follows:

Dues on imports	₱22,600,000
Dues on exports	7,800,000
Other items	3,000,000
Total	33,400,000

Under stamp taxes, covering the same period above indicated, he itemizes returns as follows:

On petroleum	₱5,900,000
On metals	7,500,000
Other items	45,300,000
Total	58,700,000

He also carries in his revenue account:

From consulates	₱3,200,000
From mails	3,999,999
From the telegraph	2,000,000
From national and intervened properties	1,600,000
From divers sources	690,000
Grand total of	102,590,000

This covered a period of nine months.

Mr. KEARFUL. What is the total of the three items of "other and divers" sources?

Mr. McCALEB. ₱48,990,000.

Mr. KEARFUL. Is there any information from which you can state what those "other sources" were?

Mr. McCALEB. I have no information. I should indeed like to see an analysis, particularly of the "otros conceptos" listed under the general heading of "stamp taxes" of ₱45,300,000.

Mr. KEARFUL. Are there any items of revenue known to you which are not otherwise enumerated in this schedule?

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Mr. McCaleb. I can not say. I do not know how far his headings "otros conceptos" may serve as blanket entries covering all manner of odds and ends of revenues. So far as I can see, from my knowledge of budgetary systems, there is no reason why we should not have had more details with respect to these large entries. Certainly there must be some very important sources of revenue covered in such headings, inasmuch as their totals carry 50 per cent of the total revenues.

Mr. Kearful. What sources of possible revenues could there be other than those specifically enumerated which could amount to any such sum?

Mr. McCaleb. I can not well conceive what these hidden sources may be. Probably, for instance, there is included the sums "borrowed" from banking institutions and probably profits on the operations of the mint, and perhaps even profits from the sale of properties which have been taken over.

Mr. Kearful. Does it not in your opinion also cover the receipts from the operation of railroads and express companies?

Mr. McCaleb. Yes; I should say that doubtless it does cover such items as revenues acquired through the operation of the railroads and the street-car systems, the express companies, and another item of importance probably here included is that of the predial tax or Federal contribution levied by the States.

Mr. Kearful. Have you calculated the amount for one year based on the figures given for the 9 months?

Mr. McCaleb. Yes; based on the 9 months' experience the total for a year would reach ₱136,786,656 as against the estimated expenditures of ₱155,000,000.

Mr. Kearful. Have you a subsequent statement made by President Carranza in the present year?

Mr. McCaleb. Yes; in his message to Congress in September of this year he set out a budgetary statement. He shows receipts to total for 10 months ₱135,301,000. This is broken up under a number of heads. The import dues, for instance, are given at 27,600,000; the export dues at 6,450,000, showing a loss over the preceding year; the port dues are placed at 1,644,000. Stamp taxes on oils are figured at 13,100,000; on metals at 11,900,000. Ordinary stamp taxes foot up 11,550,000; the Federal contribution tax, 27,100,000; "other sources," 72,178,000; from consulates, 5,000,000; mail and telegraph, approximately 7,400,000; nationalized properties, 730,000, from divers sources, 649,000; all of which yields a total for 10 months of ₱135,301,000.

Carranza estimates total receipts for the year of ₱162,000,000. On the score of expenditures he figured they would total ₱199,000,000 for the year ending December 31. Details, however, he would not enter upon.

Mr. Kearful. Is there any indication in either of President Carranza's statements that any provision was made for the payment of any debts or the interest on debts?

Mr. McCaleb. No effort has been made to pay the charges on the public debt or on the debts in general of the country, so far as foreign holdings are concerned. And on the score of giving attention to the Mexican bonded debt, I was told by Senor Neito, when

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plied with the question as to when Mexico would resume interest payments on these foreign-held securities, that Mexico was going to wait to see what other nations did with respect to their bonded debts.

(Thereupon, at 12.30 o'clock p. m., a recess was taken until 1.15 o'clock p. m.)

AFTER RECESS.

At 1.15 o'clock p. m. the committee reassembled pursuant to the taking of recess.

Mr. KEARFUL. Coming now to the funded debt of Mexico, will you describe the different forms of this debt?

Mr. McCALEB. The funded debt of Mexico may be grouped under the following heads:

1. External, or gold debt.
2. Internal, or silver debt.
3. Guaranteed debt under State obligations.
4. Guaranteed debt under railway obligations.
5. Guaranteed municipal debts.
6. Guaranteed caja de prestamos.

Mr. KEARFUL. There has been some confusion as to what constitutes the external debt and the internal debt of Mexico. Will you define exactly what constitutes the external debt?

Mr. McCALEB. In point of time the external debt was the first bonded debt contracted by Mexico.

Mr. KEARFUL. What is the point of distinction between the external and the internal debts?

Mr. McCALEB. The main point of distinction lies in the fact that the external debt is a gold debt; that is to say, the external debt in the main has been created abroad and has been based on the gold standards of the European countries. The Mexican peso has been distinctly set down in its equivalent in foreign moneys based on gold standards. These foreign bonds as a rule on their face contain a table setting out these equivalents in the coinage of the leading countries, such as pound, mark, franc, and peso.

Mr. KEARFUL. Now, the internal debt.

Mr. McCALEB. The internal debt, which was first funded in 1850—that is to say, provision was made for the funding of the internal debt in 1850—is based on the Mexican silver peso. The actual funding operation extended over several years. Under present conditions of fluctuating silver values some difficulties may develop in the future, particularly if in the face of these bonds the silver peso is referred to as of a definite weight and fineness.

Mr. KEARFUL. What events have you in mind as resulting in such difficulties?

Mr. McCALEB. I am referring specifically to the demonitizations of the silver peso which have occurred recently, the silver content having been reduced on two several occasions.

Mr. KEARFUL. To what extent has it been reduced?

Mr. McCALEB. It has been reduced by more than 50 per cent in order to maintain a parity between the actual silver contained in the peso in relation to the gold peso. This condition has been brought about by the abnormal price ruling in the markets of the world for silver.

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Mr. KEARFUL. Will you state briefly the origin and growth of the external debt from the beginning to the time of Porfirio Diaz?

Mr. McCALEB. When the Mexican Government was organized in 1821 deficits began to run in the budgetary accounts. The necessary revenues could not be raised through taxation, hence forced loans were resorted to, and in 1824 a loan of ₱16,000,000 was negotiated in London. That was the first external debt created by Mexico.

Mr. KEARFUL. What security was given for the payment of this debt?

Mr. McCALEB. The whole of the revenues of the country were assigned.

Mr. KEARFUL. Assigned means that they were pledged?

Mr. McCALEB. Were pledged as a security for the payment of the debt.

Mr. KEARFUL. What other securities were subsequently given for the payment of debts and existing at the incoming of Porfirio Diaz?

Mr. McCALEB. Practically all the revenues of the country were pledged to secure indebtedness of one character or another. Almost the whole of the internal taxes were pledged, even the mints of the country were mortgaged. It may be said that only the fragments of the sources of revenue were left to the administration. It must be remembered, however, that very few administrations indeed during the whole course of Mexican history had paid any attention to the obligations of the Mexican Government in the matter of these assignments of revenues, whether of internal or customs dues. When funds were accumulated, as they were in some instances, if the need arose they were appropriated by the faction which happened to be in power.

Mr. KEARFUL. When was the first time in the history of the Mexican Government that customs receipts actually were set aside and used to meet the obligations of the external debt?

Mr. McCALEB. Not until the time of Diaz.

Mr. KEARFUL. What was the amount of the external debt at the time of the incoming of Diaz?

Mr. McCALEB. In 1880 Diaz appointed a committee charged with working out a plan for the consolidation of this debt, and in June of that year this committee estimated it to be 191,385,781 pesos, of which total 46,431,996 pesos was accrued interest.

Mr. KEARFUL. Had any interest ever been paid upon any of this debt from the time of the first one in 1824 up to that time?

Mr. McCALEB. From time to time over all this period there were readjustments of this external debt. Comparatively small attention was paid, as a matter of fact, to foreign obligations. This, it must be said by way of mitigation, had been largely the result of the chaotic state in which the country found itself. That is to say, it was rent with factional controversies and civil commotions. It is not here possible for me to give you the amount of interest that was actually paid on the foreign debt over this period. It can be said, however, that it amounts to a small sum. Probably the largest single item in that account came out of the indemnity paid by the United States to Mexico at the conclusion of the Mexican War. A portion of these funds was transferred to English creditors, but in order to secure these funds they submitted to a heavy scaling of their indebtedness plus a reduction in the rate of interest.

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Mr. KEARFUL. You mean by "indemnity" the amount voluntarily paid by the United States to Mexico in consideration of the territory that was taken as a result of the war?

Mr. MCCALEB. Yes.

Mr. KEARFUL. What information have you with reference to the remission of interest or the scaling down of the external debt at any time?

Mr. MCCALEB. I have a lot of information on these various bonding operations which mainly were concerned with the funding of interest or the refunding of the bond issues themselves. On a number of occasions the holders of these foreign bonds scaled their accounts heavily in the belief that they were putting them in better condition through securing assignments of customs dues or through the promise of receiving a small cash payment.

Mr. KEARFUL. Did something of that kind occur as a result of the payment by the United States to Mexico of the purchase price of territory?

Mr. MCCALEB. Yes; that was one case I had in mind. At that time the London bankers scaled their debt more than £3,000,000, or $15,000,000 in round figures. They also reduced the rate of interest on the outstanding indebtedness to 3 per cent, and received as compensation an assignment of 25 per cent of the customs dues, plus $2,500,000 of the moneys which the United States Government had obligated itself to pay to the Mexican Government. Payno, one of the distinguished Mexican financiers, who was for many years connected with the Hacienda, estimates that this transaction alone worked out for Mexico a saving of more than ₱25,789,970. The annual carrying charge on the budget was reduced by the operation from ₱3,337,853 to ₱1,674,146.

Mr. KEARFUL. Was there a similar scaling operation that occurred previously?

Mr. MCCALEB. Yes; and some afterwards.

Subsequently, in 1886, the English debt was converted and there was a great saving to Mexico in the operation. It may be added that on several occasions over the 60 years following independence readjustments were made and always, I think, in favor of Mexico. Of course, on the other side of the account is the claim that Mexico in these earlier transactions had met with hard bargains. As a matter of fact, the bulk of the foreign indebtedness of Mexico had grown out of the two first loans made and from time to time the fundings of interest.

Mr. KEARFUL. Can you give an example of one of those hard bargains which occurred in the time of Benito Juarez?

Mr. MCCALEB. Yes; in 1865 a loan was negotiated in New York for ₱2,925,450. The commission on this loan was ₱1,000,000.

Mr. KEARFUL. What was the situation of Juarez at that time?

Mr. MCCALEB. Rather perilous, and a loan could have been made to him only by one who was willing to take a gambler's chance, since it was not impossible that he might have been entirely defeated and driven from the country.

Mr. KEARFUL. In which event it might be anticipated that the loan would be entirely repudiated?

Mr. MCCALEB. Yes.

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Mr. KEARFUL. Would you consider the situation as somewhat comparable to the present one in case Carranza should succeed in making a foreign loan?

Mr. McCALEB. There are certain points in common, and yet the cases are somewhat dissimilar. At the time Juarez, through his agent, negotiated his loan he had been practically driven out of Mexico and was hanging onto the northern fringe of Chihuahua, and Maximilian had been established as Emperor in the capital.

In the case of Carranza I think a loan negotiated by him would be held to be legitimate, since he is the de facto if not the de jure President of that Republic.

Mr. KEARFUL. However, it seems that there may be this point of similarity, that the lender would consider that he was taking a gambler's chance in regard to the fulfillment of the obligations of a loan made by the present Government, is that right?

Mr. McCALEB. That is quite right as I interpret it. The fact is that Juarez did the best he could under the circumstances to make good his foreign obligations. His Congress passed a law setting in abeyance for two years the application of the customs dues on the foreign debt, thus endeavoring to give color of law to his operations, whereas while the customs dues are now assigned as a whole to meet the obligations of Merxico, no effort has been made to consolidate these dues as they deserve to be in trust, nor is attempt made to give color of legal status to the case.

Mr. KEARFUL. What was the first time in the history of the Mexican Government that the obligations of the Government were punctually met?

Mr. McCALEB. Under Porfirio Diaz.

Mr. KEARFUL. At what time of his career?

Mr. McCALEB. Beginning in his second administration.

Mr. KEARFUL. Throughout the Diaz administration, as I understand you, the pledges that had been given to secure the Mexican debt were honestly set aside and used to meet those obligations. Is that true?

Mr. McCALEB. Yes, that is true; although there were delays and delinquencies prior to 1895.

Mr. KEARFUL. Beginning with that year were the interest charges and other obligations of the Mexican debt punctually paid?

Mr. McCALEB. They were punctually paid from 1895, but I think from 1886 onward, with possibly some exceptions, the carrying charges were paid on the external debt. I have not at hand a complete memorandum on this point. Certainly after 1895 without exception, all payments were punctually met.

Mr. KEARFUL. What was effected under the Diaz régime with respect to eliminating the pledges of internal revenues?

Mr. McCALEB. When Diaz came into power the second time he found a most unfortunate situation.

Mr. KEARFUL. That was in 1880?

Mr. McCALEB. In 1884. He found practically the whole of the revenues of the country impounded in one way or another. His earliest efforts, were, therefore, dedicated to freeing the revenues of the country from creditors, and in this he was quite successful.

Mr. KEARFUL. About what time was he successful in accomplishing that?

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Mr. McCaleb. That was in his second administration.

Mr. Kearful. Was anything effected by him with reference to the reduction of the amount of customs receipts that had been pledged?

Mr. McCaleb. At the moment my recollection serves me ill. I think in his readjustment of the debt in 1886 he secured the release of a considerable portion of the customs dues assigned to secure the English obligations.

Mr. Kearful. In the refunding operation of 1899, I believe it was, what was the percentage of the customs receipts that were pledged to secure the entire funded external debt?

Mr. McCaleb. Dublan, Minister of Hacienda, in a statement of October, 1885, recites that at that date no port of the country yielded the treasury more than 12.63 per cent of the sums collected, and in most cases only 5.1 per cent. In other words, all except those percentages was assigned to secure the public debt.

The flotation of 1899 consolidated the exterior issues of 1888, 1890, and 1893 and was put out on a basis of 96 to 97¼ at an interest rate of 5 per cent. I have not at hand the data with respect to the percentage of customs dues assigned to take care of this indebtedness.

Mr. Kearful. Have you the data in that respect relating to the subsequent refunding operation of 1910? Please describe, if you can, that operation.

Mr. McCaleb. The refunding operation of 1910 contemplated the retirement of the 1899 issue of bonds. The sale was actually made at a basis of 98 of ₱111,000,000 of bonds bearing only 4 per cent interest, which was a remarkable illustration of the advanced standing Mexican bonds had taken in the markets of the world.

Mr. Kearful. Have you any information as to the quotation of those bonds on the markets?

Mr. McCaleb. I have no definite dates and quotations at hand, but in the main they circulated at premiums in the European markets.

To return to your question as to customs assignments, I want to say that 62 per cent of the customs dues were assigned to secure the issues of 1899 and 1910.

Mr. Kearful. From 1895 throughout the rule of Porfirio Diaz, what is your information in reference to punctuality of the Government in meeting its obligations arising from the external debt?

Mr. McCaleb. No Government could have been more punctual according to the records.

Mr. Kearful. When was the last payment of interest upon Mexico's external debt?

Mr. McCaleb. On the consolidated loan of 1899 the last interest was paid July 1, 1914. Other payments were made in April and June, but none after July 1.

Mr. Kearful. Had all obligations of the Mexican Government been met up to that time?

Mr. McCaleb. They had been.

Mr. Kearful. Running through the period of Madero's presidency and the time of Huerta, who abdicated in July, 1914?

Mr. McCaleb. Huerta did the best he could to meet punctually his foreign obligations, but failed in the end.

Mr. Kearful. At the time of the abdication of Porfirio Diaz, what amount of money was turned over to his successor?

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Mr. McCaleb. ₱64,671,595.

Mr. Kearful. And at that time, as I understand, the credit of the Mexican Government was excellent, and for some years previously its bonds had been selling at a premium in the markets of the world?

Mr. McCaleb. Yes, sir; that is true.

Mr. Kearful. What amount of money was turned over to Huerta as the successor to Madero?

Mr. McCaleb. The treasury condition had gone from bad to worse under Madero. He had borrowed ₱40,000,000 in New York. His congress had provided for a loan of £20,000,000 prior to his going out. The treasury was practically bankrupt when Huerta came into authority.

Mr. Kearful. What further loans did Huerta negotiate?

Mr. McCaleb. Huerta took up where Madero left off and conducted a negotiation in Europe on the score of the £20,000,000 loan which had been authorized by the Madero Congress. He made a contract with a European syndicate and sold an issue of these bonds in a total of £6,000,000. With this money he retired to ₱40,000,000 owing in New York.

Mr. Kearful. Borrowed by Madero?

Mr. McCaleb. Borrowed by Madero; and he paid the interest on a number of the Mexican debts.

Mr. Kearful. What rate of interest did the £6,000,000 bear?

Mr. McCaleb. Six per cent; a 10-year issue.

Mr. Kearful. Upon what basis were they sold?

Mr. McCaleb. My recollection is they were sold on the basis of 90, and the bonds carried an assignment of 38 per cent of the customs dues.

Mr. Kearful. Which, added to the 62 per cent previously pledged under the Diaz Government, comprised the total of the customs dues of the country.

Mr. McCaleb. That is true.

Mr. Kearful. What amount, if any, was turned over by Huerta when he abdicated?

Mr. McCaleb. I can not say.

Mr. Kearful. Have you any information as to whether the amount was considerable or insignificant?

Mr. McCaleb. I am inclined to think that the amount was inconsiderable.

Mr. Kearful. What further obligations were incurred by Huerta's successor, Carbajal?

Mr. McCaleb. Prior to Carbajal's incumbency provision had been made for an internal bond issue of ₱60,000,000.

Mr. Kearful. Provision was made by the Madero Congress?

Mr. McCaleb. No; by the Huerta Congress for a ₱60,000,000 internal issue. Carbajal took 10,000,000 of those bonds and placed them in the hands of the Comision de Cambios y Moneda and issued against these ten millions of bonds certificates which circulated as currency. In all, about seven millions were issued by him.

Mr. Kearful. What is the total amount of the external debt of Mexico at this time?

Mr. McCaleb. The total amount of the external debt of Mexico is approximately ₱828,000,000, including interest. If anything, this

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statement is under, on account of the fact that the interest charge has been in some cases estimated, but with the firm belief that the same is under rather than over.

The items of this total are shown by the following table:

Gold debt of Mexico.

[Memoria de Hacienda, 1910-11, vol. 1, p. xi]

	Year.	Per cent.	Amount.	Last interest paid.
Consolidated foreign	1899	5	₱102,557,995	July 1, 1914
City of Mexico	1889	5	15,516,634	Apr. 1, 1914
Public debt	1904	4	76,384,430	June 1, 1914
Loan (balance)	1888	.....	13,081	
Do	1890	.....	3,905	
Do	1893	.....	2,148	
Tehuantepec R. R	.....	.....	4,342	
External gold loan	1910	4	106,663,830	July 1, 1914
10-year treasury bonds	1913	6	178,700,290	Do.
Total	.....	.....	479,876,655	
Total authorized, £20,000,000, and probably all now issued; interest approximated	.....	.....	120,000,000	
Total	.....	.....	599,876,655	

	Principal.	Interest.	Total.
Railroads	[1] ₱115,497,000	₱21,400,000	.....
State and municipalities	27,104,800	3,000,000	.....
Caja de Prestamos	50,000,000	[2] 11,125,000	.....
	192,601,800	35,525,000	₱228,126,800
Total gold debt of Mexico	.....	.....	599,876,655
Grand total	.....	.....	828,003,455

[1] Nacional, 4 per cent; Vera Cruz, ₱14,000,000. [2] 35 years, 4½ per cent.

GRAND SUMMARY OF MEXICAN INDEBTEDNESS.

Gold or external debt	₱828,003,455
Silver or internal debt	235,500,000
Grand total funded debt	1,063,503,455
Liability to banks (estimated)	225,000,000

Mr. KEARFUL. What is the total amount of the internal debt?

Mr. McCALEB. The internal debt approximates ₱235,500,000.

Mr. KEARFUL. The last item in this table is bonds to employees ₱27,000,000. What is the basis of that item?

Mr. McCALEB. The Government has not been able to pay its employees in full and from time to time makes up the deficit by giving them quotas of bonds. Carranza in his message of September 1, 1918, gave the total as approximating ₱27,000,000. Of course, this has been augmented during the present year but just how much we have no means of knowing.

Mr. KEARFUL. Does Carranza recognize the oblization of the Carbajal issue or the Huerta issue?

Mr. McCALEB. Carranza has not officially recognized the Huerta issue. On the contrary, Cabrera is reported as rejecting it. Carranza did recognize the Carbajal issue to the extent that he himself issued certificates under the arrangement which Carbajal had employed. Furthermore, Carranza recognized the Carbajal issue by including it in his decree calling for the redemption or retirement

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of the currency issues of the country prior to the inauguration of his infalsificable currency plan.

Mr. KEARFUL. Including in that the Carbajal issue?

Mr. McCALEB. Yes.

Mr. KEARFUL. What then do you figure the grand total of the Mexican obligations as represented by the unquestionable funded debt?

Mr. McCALEB. At ₱1,063,503,400, principal and interest.

Mr. KEARFUL. You estimated the liability of the Mexican Government on account of its banking operations at approximately ₱225,000,000?

Mr. McCALEB. Yes.

Mr. KEARFUL. This, then, would make a grand total according to your figures of what?

Mr. McCALEB. Of ₱1,288,503,400.

Mr. KEARFUL. Mr. Lill in his testimony stated that from his study of the Mexican financial situation the Mexican Government would not be able to carry a larger amount of indebtedness than ₱550,000,000. What is your opinion about that?

Mr. McCALEB. My opinion is that Mexico under normal conditions could pay carrying charges on several times that sum.

Mr. KEARFUL. Approximately about what do you consider Mexico would be able to carry under normal conditions? I mean by normal conditions, conditions of permanent peace and order.

Mr. McCALEB. I think Mexico, once her industries were restored, her agriculture developed, and her mines fully operated, could pay charges on a very large sum. Such a thing as a definite limit being fixed is not possible, inasmuch as ability to pay depends entirely on industrial and general progress. Mexico's ability to pay, therefore, would be developed along a sliding scale, bearing a more or less definite ratio to the wealth and general progress and well-being of the country. I want to say that, in my opinion, Mexico in 10 years' time could pay the carrying charges on a sum much larger than her present indebtedness.

Mr. KEARFUL. Would the material progress of Mexico depend, in your opinion, upon the certainty of peace and order being permanently established?

Mr. McCALEB. Yes; in my opinion that is indispensable; and the ability of Mexico to pay would depend on her financial rehabilitation first of all.

Mr. KEARFUL. As I understand you, practically no obligations of the Mexican Government were paid during the entire period of about 60 years from the inception of the Mexican Government in 1821 to the time of Porfirio Diaz, and that practically no obligations of the Mexican Government have been paid since the success of the Carranza revolution in the summer of 1914; is that true?

Mr. McCALEB. That is substantially true. I think ₱10,000,000 would cover the shipments of funds abroad during the first 60 years of Mexican independence, exclusive of the two and one-half millions paid by the United States Government.

Mr. KEARFUL. And since July, 1914, nothing has been paid, as I understand it, except about ₱3,000,000 paid by the Carranza Government in discharge of its own obligation assumed in the taking up of some portions of its fiat money.

Mr. McCALEB. I think that is correct.

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Mr. KEARFUL. That payment was not made to any foreign creditor or upon any of the funded obligations of the Government?

Mr. McCALEB. No; it was paid to local holders of certificates.

Mr. KEARFUL. You have no knowledge as to who those local holders were, have you?

Mr. McCALEB. No; I have not.

Mr. KEARFUL. You do not know whether they were officers of the Carranza Government or not?

Mr. McCALEB. I have no means of ascertaining.

Mr. KEARFUL. Coming now to the currency issues of the Mexican Government, what was the unit of value in the beginning?

Mr. McCALEB. The Mexican gold peso and the silver peso. Mexico is presumed to be on a bimetallic basis.

Mr. KEARFUL. What change was made in that system, and when?

Mr. McCALEB. When Carranza started his revolution in the north he early began the issue of a fiat paper currency which was known as the Monclova issue, limited to ₱5,000,000.

Mr. KEARFUL. The date of that decree was April 26, 1913?

Mr. McCALEB. Yes.

Mr. KEARFUL. And it was stated in article 9 that as soon as order should be established laws would be promulgated looking to the redemption of those bills?

Mr. McCALEB. Yes; that is true.

Mr. KEARFUL. And by article 4 all the inhabitants of the Republic were obliged to receive those notes as legal tender at their face value in all characters of operations, civil and commercial.

Mr. McCALEB. Yes.

Mr. KEARFUL. What subsequent issues of the same kind were made?

Mr. McCALEB. There was a decree issued a little later increasing the Monclova issue by ₱20,000,000, but it was modified.

Mr. KEARFUL. The decree of November 28, 1913?

Mr. McCALEB. Yes.

Mr. KEARFUL. And what subsequent additional issues were there by decree?

Mr. McCALEB. There were so many of these decrees following one after the other that it is difficult to find one's way through the maze of them. Substantially, the Monclova issue was limited to ₱5,000,000. That was followed by what is known as the issue of the Ejercito constitucionalista (constitutionalist army) of ₱25,000,000. The third issue was known as the gobierno provisional (provisional government). This issue was divided into two series; the first was put in circulation prior to and during Carranza's occupation of the capital, and is known as the Mexico City issue, carrying a total of ₱42,625,000; the second series of this issue was known as the Vera Cruz issue. This total reached ₱599,329,321, according to Government authorities.

Mr. KEARFUL. What provision was subsequently made for taking up those issues?

Mr. McCALEB. In the fall of 1915 the Carranza régime realized the need of funding its earlier issues of currency. They developed a plan whereby they would issue an infalsificable (uncounterfeitable) issue, the circulation of which they proposed to guarantee by proper metallic reserves.

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Mr. KEARFUL. At what ratio?

Mr. McCALEB. Presumably 100 per cent ratio. There were during this period, however, many issues of currency, so called. There were probably as many as 200 different series of fiat paper currency put in circulation in Mexico. Some of these, including those of Villa and the convention and practically all issues of generals, were declared null and void without any consideration.

Mr. KEARFUL. Including Carrancista generals?

Mr. McCALEB. Yes; including Carrancista generals.

Mr. KEARFUL. The Villa issues were partly put out while Villa was an adherent of Carranza?

Mr. McCALEB. Yes; but that did not save any of the Villa issues.

Mr. KEARFUL. Please proceed to describe the method of funding such issues as were funded and the actual operation.

Mr. McCALEB. In the spring of 1916 the infalsificable issue was made ready for flotation. It was prescribed that all notes of the Vera Cruz and provisional government issues should be presented to the treasury for legalization. If they were found to be properly issued they were then made convertible into the infalsificable currency on the basis of ₱10 to ₱1 of infalsificables. Since the infalsificable was put into circulation on the basis of 20 centavos per peso the Vera Cruz pesos came to be worth 2 centavos, or 1 cent in United States currency per peso. But after the Government had made this arrangement it changed its mind and instead of issuing in exchange infalsificables for its provisional currency it converted a portion of this provisional currency into a species of bond issue, to which reference has been made earlier in this testimony, one-fifth of the total funded being payable per annum, three payments having thus far been made in a total of something less than ₱3,000,000.

The infalsificable notes came into circulation in May, 1916. For a time they were supported in the market by the Government. They were redeemed at the price of 20 centavos per peso, the operation being handled by the Comisión Monetaria, which had been organized by the Government to succeed the Comisión de Cambios y Moneda. It was but a matter of time, however, until the infalsificable, being constantly issued in larger volume, found itself in a slipping market.

Mr. KEARFUL. How long a time?

Mr. McCALEB. After approximately six weeks. The Government made an effort to support the market through bringing into its confidence certain of the private banks and branches of foreign banks. The Government supplied these institutions with New York credits or with actual coin and they were instructed to redeem infalsificable notes at definite figures, but even this support of the market could not avail against the constantly increasing flood of demand, which arose through the ever increasing output of infalsificable notes. The market sank lower and lower until toward the end of the summer——

Mr. KEARFUL. About how long a time?

Mr. McCALEB. After about three months the situation appeared to be hopeless. The Government simply had not kept its promise of providing the necessary metallic reserves to keep the infalsificables in circulation. It must have been known by the administration that it would be impossible to keep fiat paper afloat if it were not properly supported by metallic reserves. In September it was evident that the end had been reached and the Government began to look about for ways and means of saving itself.

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The country began, even before the infalsificable currency had been wholly depreciated, to effect certain exchanges on a metal basis. In October this was openly done and in November the infalsificables quite ceased to circulate.

Mr. KEARFUL. What was its value at that time?

Mr. McCALEB. Its value at that time was about 1½ centavos on the peso.

Mr. KEARFUL. What then became the money of the country?

Mr. McCALEB. The country got back on a metallic basis.

Mr. KEARFUL. Did the Government refuse to accept the fiat money in the payment of customs dues and other taxes?

Mr. McCALEB. Yes; the Government had prior to its final extinction refused to accept it.

Mr. KEARFUL. Was it possible to buy anything in the markets with it?

Mr. McCALEB. The time came when it was so much worthless paper.

Mr. KEARFUL. What effect did this have upon the business and inhabitants of the country?

Mr. McCALEB. Business during the whole of the fiat currency régime had been much confused and naturally the wide fluctuations of the infalsificables tended still further to upset all commercial and other operations.

Mr. KEARFUL. Have you any data showing the total amount of the infalsificables that were issued?

Mr. McCALEB. I have, but I am not satisfied with it. The officials in Mexico City proved to me that they could not themselves discover exactly what the total issues were. The Government has admitted an issue of ₱540,000,000.

Mr. KEARFUL. Have you any reason to believe that it was more than that sum?

Mr. McCALEB. Such opinion would be based entirely upon the evidence of friends who lived through the infalsificable period. Some of them think that the issue was much higher.

Mr. KEARFUL. Were you able to find anyone who had data upon which a definite estimate could be made?

Mr. McCALEB. No.

Mr. KEARFUL. About what amount was it estimated to be by those who had lived through the period?

Mr. McCALEB. Some of them thought that the issue ran as high as ₱600,000,000 or ₱700,000,000.

Mr. KEARFUL. Have you a table showing the depreciation of the issues of fiat money from the beginning of 1913 to the end of 1916, month by month?

Mr. McCALEB. Yes. The table is as follows:

Month.	1913	1914	1915	1916	Month.	1913	1914	1915	1916
January	99	74	28	9	July	90	62	10	10
February	98	69	26	8	August	79	53	13	7
March	97	63	22	5	September	73	40	13	5
April	96	58	18	7	October	72	40	14	3
May	94	66	17	20	November	71	39	14	1½
June	94	65	17	12	December	71	37	12	.....

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Mr. McCaleb. I think that table is more or less accurate; at all events it was supplied to me by a very competent banker in the capital of Mexico.

Mr. Kearful. The last column under 1916, beginning with May, shows the inception of the infalsificable and its gradual decline from 20 centavos in May, 1916, to 1½ centavos in November, 1916, and practically nothing in December of that year; is that right?

Mr. McCaleb. Yes, sir; it ceased to be quoted.

Mr. Kearful. On whom did the burden of this issue and depreciation of fiat currency most heavily fall?

Mr. McCaleb. On the small individuals who were caught with these notes at the end.

Mr. Kearful. Practically the poorer classes?

Mr. McCaleb. I should say the poorer classes. They doubtless carried the bulk of it.

Mr. Kearful. Am I to understand from your testimony that substantially all the issues of fiat money by the Carranza government and by his various generals and other Government officials have been repudiated?

Mr. McCaleb. Yes; almost without exception.

Mr. Kearful. Is there any distinction to be drawn between the taking of a man's property or the exaction of his labor without compensation and that of paying for such property or labor in paper money which is subsequently repudiated?

Mr. McCaleb. That is a fine moral question. It seems to me to carry its own answer.

Mr. Kearful. Well, you do not see any distinction, do you?

Mr. McCaleb. If I must answer in a word, I should say, no. The matter of issuing floods of fiat paper currency and taking goods for those paper currencies which later are repudiated by the Government, or practically repudiated by the Government, is, if I understand it, only another name for the operation known as forced loan or confiscation of goods. I have heard that the Carranzistas boast of having financed the revolution for three years on an expenditure of approximately ₱5,000,000.

Mr. Kearful. A forced loan, however, is made with the supposition, at least, that it will be repaid at some time; is not that the idea?

Mr. McCaleb. That is true, and yet the record of Mexican history on the score of forced loans is by no means conclusive in that respect. It may be of interest to you to know that during the whole course of Mexican history there have been exacted forced loans, great portions of which were never repaid. To illustrate, up to June 30, 1869, there had appeared in the Mexican budgets ₱360,000,000 of extraordinary resources, mostly forced loans.

Mr. Kearful. Does that apply to the period of the rule of Porfirio Diaz?

Mr. McCaleb. To the early years, even of the rule of Porfirio Diaz. I can not say, however, whether the loans exacted under the régime of Diaz were repaid or not. I am inclined to think they were.

Mr. Kearful. What claim is made by the present Mexican officials that they have not repudiated these infalsificables, but that they have been accepted in payment of taxes?

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Mr. McCaleb. It is true that they are required as an additional payment, as a sort of surtax, in equal quotas, and in this manner it is stated as the hope of the administration that eventually the whole infalsificable issue will have been retired. As a matter of fact, no reduction is made in the tax charge levied. In a word, no credit is allowed on the tax payment by virtue of this infalsificable charge.

Mr. Kearful. What is it claimed is done with the infalsificables obtained in that manner?

Mr. McCaleb. They are supposed to be accumulated in the treasury and there destroyed.

Mr. Kearful. Have you any reason to believe that they are not destroyed but are reissued.

Mr. McCaleb. There is a universal law which operates in all such cases. If more than ₱400,000,000 of infalsificables have been destroyed, as is claimed by the Government, and there were issued originally only ₱540,000,000, there should have remained three years ago only ₱140,000,000 of infalsificables in circulation. These infalsificables have been bought constantly ever since and still the market price for infalsificables holds to a fair degree of steadiness. That would seem to vitiate the operation of the natural law which works in all such cases. If the volume is constantly diminished there should be an enhanced value for the infalsificable.

Mr. Kearful. What has been the constant value during this period?

Mr. McCaleb. The value, I think, has ranged around 10 centavos.

Mr. Kearful. Have you any information as to the amount of infalsificables purchased monthly by any single industry in Mexico for the purpose of paying this surtax?

Mr. McCaleb. We know that the petroleum companies are purchasing more than ₱1,000,000 of infalsificables per month. Other institutions are purchasing in similar quota.

Mr. Kearful. If the ordinary taxes should amount to ₱100,000,000 per year that would retire a similar amount of infalsificables.

Mr. McCaleb. Not all taxes carry the surtax or infalsificable.

Mr. Kearful. Have you any information as to the amount of taxes collected per year which carry this surtax?

Mr. McCaleb. I am sorry, but I have no totals.

Mr. Kearful. What class of taxes carry this surtax?

Mr. McCaleb. I understand that customs dues, both import and export, and possibly some other characters, such as port dues.

Mr. Kearful. Coming now to the investments of foreign capital in Mexico, have you a statement from Mexican officials on that subject? If so, state the total amounts given as invested by foreigners as against the amount invested by Mexicans.

Mr. McCaleb. According to a Mexican table published in the Anuario Estadistico for the fiscal year 1906–7 certain tables were given. The gross capital invested in corporations throughout the country was ₱1,370,205,579 by foreigners, against so-called Mexican capital of ₱590,813,718.

Mr. Kearful. Why do you say "so called"?

Mr. McCaleb. For the reason that many of the corporations classified by the Mexicans as Mexican were essentially foreign, since foreigners had subscribed the capital.

Mr. Kearful. Have you a similar statement as to 1910?

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Mr. McCaleb. I have a statement for 1910 from the Noticia del Movimiento de Sociedades Mineras y Mercantiles published in Mexico City in 1911, which shows investments of foreign capital in Mexico in 1910 reached a total of ₱2,009,994,253 as against Mexican capital of ₱812,787,778. And of the foreign capital that credited to the United States for the year 1910 amounted to ₱1,199,192,620.

Mr. Kearful. That was capital of corporations and was subject to the same criticism in reference to the Mexican figures, that you made with respect to the previous statement; is that so?

Mr. McCaleb. Yes.

Mr. Kearful. Have you an authoritative statement with reference to the investment of French capital in Mexico prior to the year 1911?

Mr. McCaleb. I have. I have a statement from a French expert, which goes into great detail, showing the capitals invested in actual companies. This total in 1911 was figured at 2,234,715,722 francs. Of this total 501,628,100 francs were invested in the stocks of banks, including the Banco Nacional with an investment of 265,500,000 francs.

Mr. Kearful. What information have you as to whether the estimate given includes all investments of French capital in Mexico?

Mr. McCaleb. I have the authority of one of the best-known European financial journals, L'Economiste Européen for the year 1914, in which it is stated that the items of French investments in Mexico are far from complete, since many French investments have been made in such fashion that they elude pursuit.

Mr. Kearful. To what extent?

Mr. McCaleb. To the extent of 100,000,000 francs.

Mr. Kearful. Have you an authoritative statement with reference to the investment of English capital in Mexico?

Mr. McCaleb. I have a statement, given out, presumably, by the British Embassy in Washington. The grand total of English investments is placed at £230,422,500.

Mr. Kearful. It has often been stated, and sometimes from high official sources, that foreign capitalists, especially American capitalists, in Mexico were not entitled to consideration because they had been engaged in exploiting the Mexican people to their own selfish ends and to the detriment of Mexico. What is your opinion, based upon your observation, as to whether the investment of foreign capital in Mexico has been for the benefit or injury of the Mexican people?

Mr. McCaleb. In my opinion, but for the introduction of foreign capital into Mexico it would have been still but a primitive State in all essentials. It would have had no railroads, no industrial development to any extent, and the Mexican people would have remained in a more or less backward or undeveloped condition. The capitals which have gone into Mexico have, of course, gone in there with a view to making returns to their owners, but that they have gone in deliberately to exploit the people is no more true than it is that capital everywhere goes in with a deliberate view to exploiting peoples.

Mr. Kearful. Is it your opinion that that same thing might with the same reason be said of the development of our own Western country?

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Mr. McCaleb. I think the rule will hold good. If bonuses were given railroads in Mexico in order to further their construction, the same may be said of nearly every State in the Union of the United States. We gave extravagant bonuses in the Western States to further the building of railways.

Mr. Kearful. You are aware that the Government of the United States has granted large credits and great empires of public lands for the purpose of securing the building of railroads across the western territory?

Mr. McCaleb. That is true, and even at a very recent date we have advanced large sums of money to build railroads in Alaska, I understand, which is evidence of the fact that the Mexican experience had in it nothing novel. It was merely a carying over into that country of the devices in the main which had applied in the development of our western territories. The Rio Grande was not wide enough to stop the American investor. In my opinion, as American investors went forward in Mexico, there was universally attendant upon that advance better living conditions, better pay, and on the whole a happier people. I say this having lived for years on the frontier and having known Mexico more or less intimately as it has unfolded during the past 30 years.

Mr. Kearful. Mr. Lill states, on page 408 of his testimony, previously given before the committee, that he estimates the amount for which the Mexican Government will be held responsible on account of claims for destruction of life and property at $25,000,000, and he bases that opinion on previous experiences in Mexico in settling revolutionary claims. What would you say about the deductions which might be made on the basis of $25,000,000 for the settlement of previous revolutionary claims?

Mr. McCaleb. I think the sum fixed an absurdly low one for the reason that when the settlements were earlier made for damages there was comparatively little foreign capital invested in Mexico. Nearly the whole of foreign capital investments in Mexico have been made during the past 30 years. The totals to-day are many fold what they were when the last claims for damages were adjusted.

Mr. Kearful. And the devastation of property under the Carranza régime and revolution have been a great deal more, many times more, have they not, than under any previous revolution?

Mr. McCaleb. I can not say what degree of relationship the Carranza depredations bear to earlier depredations, but they have been severe enough.

Mr. Kearful. Is there anything further that you think has not been fully covered, that would be of interest to the committee?

Mr. McCaleb. I think of nothing else at the moment.

(Thereupon, at 3.40 o'clock p. m., the hearing adjourned subject to call.)

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INVESTIGATION OF MEXICAN AFFAIRS

HEARING

BEFORE A

SUBCOMMITTEE OF THE COMMITTEE ON FOREIGN RELATIONS UNITED STATES SENATE

SIXTY-SIXTH CONGRESS.

SECOND SESSION

PURSUANT TO

S. Res. 106

DIRECTING THE COMMITTEE ON FOREIGN RELATIONS TO INVESTIGATE THE MATTER OF OUTRAGES ON CITIZENS OF THE UNITED STATES IN MEXICO

PART 6

Printed for the use of the Committee on Foreign Relations

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INVESTIGATION OF MEXICAN AFFAIRS.

SATURDAY, DECEMBER 6, 1919.

UNITED STATES SENATE,
SUBCOMMITTEE ON FOREIGN RELATIONS,
Washington, D. C.

Testimony taken at Washington, D. C., December 6, 1919, by Francis J. Kearful, Esq., in pursuance of an order of the Subcommittee of the Committee on Foreign Relations of the Senate.

STATEMENT OF MR. WILLIAM FRANK BUCKLEY.

(The witness was duly sworn by Mr. Kearful.)

Mr. KEARFUL. You have stated your name. What is your present address?

Mr. BUCKLEY. Mexico City.

Mr. KEARFUL. Your present address in this country?

Mr. BUCKLEY. My present address in this country is Bronxville, N. Y.

Mr. KEARFUL. What is your birthplace?

Mr. BUCKLEY. San Diego, Tex.

Mr. KEARFUL. What is your profession?

Mr. BUCKLEY. I used to be an attorney.

Mr. KEARFUL. In what business are you now engaged?

Mr. BUCKLEY. Real estate and oil leases.

Mr. KEARFUL. In Mexico?

Mr. BUCKLEY. In Mexico.

Mr. KEARFUL. How long have you been acquainted with Mexico?

Mr. BUCKLEY. I have lived in Mexico since 1908.

Mr. KEARFUL. Are you thoroughly familiar with the Spanish language?

Mr. BUCKLEY. Yes.

Mr. KEARFUL. Are you able to talk with the natives of Mexico freely upon any subject?

Mr. BUCKLEY. Yes.

Mr. KEARFUL. Have you made a study of Mexican conditions during the time that you were in Mexico and during the last few months in this country?

Mr. BUCKLEY. Yes; I have.

Mr. KEARFUL. What have been your facilities for gathering information with respect to the conditions in Mexico?

Mr. BUCKLEY. I have been associated socially and in a professional way with a number of Mexicans of prominence. I was counsel for the Mexican delegation to the Niagara conference, and in connection with this conference and subsequent events that have

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transpired in Mexico I have maintained my association with these gentlemen.

In July of this year, with the idea of gathering facts with regard to the Mexican situation that might be susceptible of proof, I induced seven or eight friends, all Americans, who have lived in Mexico for a number of years and who are intimately acquainted with the situation in that country, to work with me in this connection, with the result that during the last four months we have gotton together a mass of material on every phase of the Mexican situation, which is at the disposal of the committee whenever the committee desires to have it presented. We have had a great many prospective witnesses interviewed and will be glad, whenever the committee desires, to present detailed information through competent witnesses of economic conditions in Mexico, including the railroad situation, the Henequen and Yucatan situation, the mining and oil situation; information with regard to the activities of the Carranza government, its methods; outrages on American citizens and the destruction and confiscation of American property, in which connection we have the names and addresses of many witnesses that are willing to appear before the committee, those residing in the States being willing to appear in public session, whereas those residing in Mexico, in their majority, insisting on executive session because of fear of reprisals by the Carranza government.

Mr. KEARFUL. Where is the headquarters of your organization?

Mr. BUCKLEY. The Murray Hill Hotel in New York.

Mr. KEARFUL. Have you any connection with the Association for the Protection of American Rights in Mexico?

Mr. BUCKLEY. No.

Mr. KEARFUL. Have you any connection with the oil companies operating in Mexico? Are they contributing in any way toward your organization?

Mr. BUCKLEY. No oil company or any other corporation is contributing in any way to this organization. The only oil company I am connected with is a small company owning some leases and a terminal property in Mexico. The total investment of this company does not exceed a few hundred thousand dollars and it is not a member of the oil association.

Mr. KEARFUL. The committee has heretofore had testimony showing in a fragmentary way various incidents which go to make up a picture of Mexican conditions. I understand that you have made such a study of Mexico as to be able to give a more or less complete picture of the situation from the time of the overthrow of the Madero government up to the present time. Such a complete statement would naturally be divisible into various heads. Will you proceed in your own way to make a statement of the conditions covering the entire period mentioned beginning with the overthrow of the Madero government?

Mr. BUCKLEY. To understand the Mexican situation it must be understood in the beginning that the present is more or less the normal condition of Mexico; the era of peace during the Diaz régime from 1876 to 1910 was an abnormal period in the history of that country. All revolutions in Mexico work along conventional lines and the present series of revolutions are in no material sense dif-

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ferent from those that beset that country from 1810 to 1876; the abnormal element of the present series of revolutions is the active participation in them by the American Government. During the pre-Diaz period there were hundreds of revolutions and over 50 rulers. All of these revolutions, like the present revolution, promised everything to the people, including universal suffrage, independent judiciary, division of lands, democratic form of government, etc. To the average American the present situation in Mexico is a novel one; to the man who has studied Mexico's history there is not much novelty in it.

There is a distinction between the Madero revolution and the Carranza revolution; the former had for its object the establishment in Mexico of a democratic form of government; the latter had as its object social, and not political, reforms—the principal reforms being the destruction of private property and the expulsion from the country of the Americans. The former revolution was dominated by Mexicans of the old Liberal type and included in its ranks some of the finest men in Mexico. These men were soon disillusioned, quit the revolution, and were succeeded by radicals of an inferior social type who directed the Carranza revolution and now control the Carranza government. The only political reforms that the leaders of the Carranza revolution sought were for the purpose of vesting political power in themselves, and not in the Mexican people. Control of the political machinery would enable them, first, to enrich themselves by graft, and second, to force through their social reforms.

When Madero was President, Carranza was governor of the State of Coahuila. Carranza, as well as other governors, received from the Federal Government an allowance of a large sum of money each month for the support of the State constabulary to put down local revolutions. Limantour had left 63,000,000 pesos in the Mexican treasury, and this was one of the favorite methods used by the groups surrounding Madero to loot the treasury. Of course, troops were not maintained in the several States, or, at least, not more troops than were necessary to cover appearances, and the Governor of the State divided up his monthly allowance with the grafters in Mexico City.

It is stated that because of a disagreement between Carranza and the group surrounding President Madero, Carranza's monthly allowance was cut off and this led to friction between Carranza and Madero and to the formulation of plans by the former to revolt against his chief. It is generally understood that Carranza invited Alberto Garcia Granados, a noted Liberal in Mexico, who formed a part of Madero's cabinet, to join him in his revolt. Garcia Granados had become dissatisfied with Madero, and Carranza thought that he would be friendly to such a suggestion. It is stated that Garcia Granados declined to join in the revolt. After Carranza entered Mexico City Garcia Granados was executed.

Madero was overthrown before Carranza's alleged plans matured. Huerta, the successor of Madero, conducted negotiations with Carranza for some time looking toward recognition of his government by Carranza, but the latter finally broke off negotiations and revolted.

When Madero was killed the agents of Carranza advised him of the bad impression that this outrage had produced in the United States,

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whereupon Carranza realized his opportunity and proclaimed loudly, especially where Americans could hear, that his purpose in revolting was to avenge the shameful murder of his beloved chief. Carranza's agents in the United States played this up with great effect on the American people.

The Mexican point of view with regard to this assassination has never been understood by the Americans. The Mexican people were not as a rule shocked by the assassination of Madero; you seldom hear reference in Mexico to this crime. As a rule Mexicans who favored Huerta maintained that if Huerta did kill Madero it was good politics; the followers of Madero, while protesting that they were sorry their chief had been killed, admitted that they could understand the attitude of the opposition as constituting good politics.

Mr. KEARFUL. What have you to say with reference to the attitude of Mexicans towards Huerta?

Mr. BUCKLEY. The mass of the Mexican people have no preferences in politics, for they know nothing about politics. The middle-class and upper-class Mexicans favored Huerta, principally because they were anxious for peace and order and because they had been satiated with the advanced political doctrines announced by Madero and satiated with the shameless graft that surrounded his administration.

Carranza propaganda in the United States, very ably assisted by the American Government, succeeded in instilling into the public mind certain erroneous impressions that have been the basis of American public opinion, where there has been any public opinion, for the last six or seven years.

The Carrancista press explained that there were three classes of people in Mexico—the lower classes, representing what Mr. Wilson has termed "the submerged 80 per cent," the middle class, comprising probably 10 per cent, and the upper class. It is stated that the middle and lower classes were trying to wrest political power from the Cientificos, a so-called party composing the upper classes, that it was alleged had governed Mexico for their own exclusive benefit and the benefit of foreign capital during the Diaz régime.

The peace and order established by the Diaz Government, and maintained for 35 years, enabled the middle class to form. There was no such thing as a middle class in Mexico before the Diaz régime, and the people of the middle class were the strongest advocates of the Diaz régime, for without peace and order it could not subsist.

The "submerged 80 per cent" has no political ambition; does not know how to read or write; lives from hand to mouth, and has no political ideas or preferences; all it wants is to be let alone and be allowed to live in peace and receive those material necessities that are indispensable for the maintenance of life. This class has never received any consideration or protection in Mexico except during the régime of Porfirio Diaz.

I do not contend that this is all that the 80 per cent of the population is entitled to, but I do contend, and history shows, that material benefits must come first and that a people does not concern itself with the niceties of government or universal suffrage until after it is provided with bread and clothes.

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The educated Mexican, the type that governed Mexico for 35 years, and gave it the only decent Government that it ever had—the Mexican whom the American Government has driven out of that country—did not sympathize with Huerta and was not a partisan of Huerta's. To him Huerta was the lesser of several evils; he preferred Huerta to either Carranza or Villa, and subsequent events have demonstated the wisdom of his choice. The cultivated Mexican, however, would never have chosen Huerta for president of his own free will.

Mr. KEARFUL. We have often heard the term "Cientificos" and it has been many times stated that the Cientificos consisted of a party of political grafters who surrounded Porfirio Diaz and with whom he was in full accord for the purpose of exploiting and oppressing the Mexican people. Will you please elucidate that matter and give a description of and state who the Cientificos were and what they did?

Mr. BUCKLEY. The Cientificos were not grafters. As a matter of fact, they did not constitute a party in Mexico, as is erroneously believed to be the case in the United States, but consisted of nine Mexican Liberals who tried to force upon Porfirio Diaz a Liberal régime. The story of the Cientificos is as follows:

In 1892 a national convention was held in Mexico City for the nomination of a candidate for President. This convention was dominated by a group of young and cultured men, nearly all Congressmen. Gen. Diaz was proclaimed the candidate of the convention and this group of young men prepared a manifesto to the Nation which served as a platform of the convention. In this manifesto certain principles were advocated which had for their purpose committing Gen. Diaz to a program of reform, two principles being mentioned in particular—first, life tenure of the judges of the Supreme Court for the purpose of assuring the independence of the administration of justice, and, second, the creation of the office of Vice President to minimize the chances of revolution in the event of the death of Gen. Diaz.

Gen. Diaz viewed with suspicion the activities of this independent group, and his unconditional adherents in the Chamber of Deputies derisively gave them the name of "Cientificos." This name was coined in connection with the discussion of a bill prepared by this group in which Francisco Bulnes, one of the group, in answer to an objection by a member of the House, stated that this bill had been prepared after much study and after a scientific investigation of the matter had been made, to which a member retorted that the group then were "Cientificos." This word translated into English does not mean a scientist; it means a man learned in any branch of knowledge.

The Cientificos constituted a minority of the Congress and their adversaries, who were popularly called the Jacobins, were in the majority. The Jacobins were always submissive to Gen. Diaz, whereas the Cientificos, although friends of the President, endeavored to force upon him a policy of political reform giving a larger measure of control to the people, which Diaz refused to accept. The Cientificos presented a bill in Congress providing for life tenure of Federal judges, which was passed in the lower House, but was defeated in the Senate by order of Gen. Diaz. (This necessary re-

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form was revived by the independent Senators in 1912, under the Government of the so-called apostle of liberty, Madero, but was defeated through the influence of the latter.)

In 1893 President Diaz appointed as minister of finance the scientific Jose I. Limantour, the great financier, who raised the finances of Mexico and the credit of the nation to a high place among the great powers of the world. Limantour abandoned his political activity to accept this position, and the rest of the Cientificos, in order not to embarrass him, because of their inability to cope with Gen. Diaz, desisted somewhat from their activities thereafter.

When Ramon Corral became vice president in 1904, although he endeavored not to indulge in activities that would arouse the suspicion of Gen. Diaz, he favored the Cientificos, because he sympathized with their ideas of reform and recognized their talent, and this led the enemies of Corral to also attack the Cientificos.

The so-called Cientifico Group was composed of but a few persons, who always refused to form a political party. The Cientificos were as follows:

Jose I. Limantour. The great minister of finance, under whose direction Mexico's public credit was founded. He enjoyed a world-wide reputation and is to-day consulted by financial institutions in France and England. He was born a millionaire and in public and private life was a model of honesty.

Rosendo Pineda. A lawyer of great talent and a noted orator; he was most persistent in advocating the political reforms opposed by Gen. Diaz. He was the only one of the Cientificos who in the last seven years of the Government of Diaz dared to oppose his indications, and upon several occasions opposed him in the chamber of deputies. He was never a man of wealth and died in absolute poverty.

Justo Sierra. He was among the most notable orators and litterateurs produced by Mexico. He was minister of instruction from 1902 to 1911 and founded the National University. He lived and died in poverty.

Joaquin D. Casasus. An attorney of American and British interests who became wealthy. He was an orator and litterateur and at one time served as ambassador to Washington.

Pablo Macedo. A lawyer who became distinguished in his youth and amassed a fortune before becoming one of the Cientificos; he represented many English and American business enterprises and was well known abroad; an honest and highly educated man; the author of the project that Limantour approved for the establishment of the gold system in Mexico. He never held any other public office outside of being a Congressman and director of the School of Jurisprudence.

Francisco Bulnes. Probably the most finished orator that Latin America has produced, the author of many splendid works on the political history of Mexico and a man of great and varied learning. He has never been a man of means and is now living in exile in Cuba.

Miguel Macedo. One of the most distinguished lawyers in Mexico, who is still living in Mexico City and enjoys a reputation for great intelligence and integrity. He was a national senator for one year

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and subsecretary of the department of Gobernacion (Interior) during the last five years of the administration of Gen. Diaz. He has a modest fortune, which he has accumulated in 40 years through intelligent and constant labor.

Emilio Pimintel. A member of Congress; a lawyer of good reputation and of recognized probity of character; Governor of the State of Oaxaca during the last eight years of Diaz's administration. A man of moderate wealth.

Roberto Nuñez. A lawyer, who occupied many public offices, and after 1893 was subsecretary of the department of finance; always regarded as an honest man. Died in Paris, leaving a small fortune.

The Mexican public never referred to anybody outside of these men as Cientificos. Mr. Bryan and other American politicians have always thought that the Cientificos constituted a national party. As is seen from the above statement, only three of these men were wealthy and only one of them made his money after he had become a Cientifico. Gen. Diaz was always suspicious of their ideas, and never yielded to their influence.

The Mexican revolutionaries, to give them a pretext to persecute the men in Mexico who were distinguished for their talent, or for their wealth, called all those whom they wished to victimize "Cientificos." The American Government, accepting this version, has popularized in the United States the alleged crimes of the Cientificos and has given the name of Cientifico to all those men in Mexico who were, in fact, useful to Mexico, and stood in the way of designs of the revolutionaries.

Mr. KEARFUL. Will you now proceed to give a statement with reference to the relations of Huerta toward the American Government and the attitude of the American Government toward Huerta?

Mr. BUCKLEY. Soon after his election, President Wilson introduced an innovation in the diplomatic policy of the American Government. This Government was represented in Mexico City by an honorable man, who had served his country well—Mr. Henry Lane Wilson—who soon discovered that his Government neither consulted him nor confided in him. Mr. Henry Lane Wilson was the representative of the American Government, but President Wilson preferred to conduct foreign negotiations through his own personal representatives. The State Department was eliminated at once from the field of diplomatic relations with Mexico, and, since the accession of Mr. Wilson to office, has not had anything to do with the formulation of our Mexican policy, and very little to do with the carrying out of this policy. Because of his policy of insisting that the rights of Americans in Mexico be respected, and because he showed resentment in not being taken into the confidence of his own Government, Ambassador Wilson was recalled from Mexico. All manner of scurrilous rumors with regard to this gentleman, among them allegations to the effect that he was responsible for the murder of Madero and had actually connived at this murder, were carefully spread in the United States by Carranza propagandists and by the representatives of the President, among whom Mr. John Lind distinguished himself; rumors which the American Government knew to be untrue and which it could have suppressed by merely denying them. The State Department went so far in conniving at the persecution of this gen-

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tleman as to permit an unscrupulous American from Mexico City by the name of Robert H. Murray, the correspondent in that city of the New York World and an interested propagandist of the Carranza government, to secure information from the confidential files of the State Department for the purpose of producing evidence in garbled form against the ex-ambassador.

We will be glad to submit, whenever the committee desires, details with regard to the dismissal of Ambassador Wilson and the conduct of the American Government and its representatives.

Huerta was recognized by most of the first-class powers, but the American Government did nothing. Except for vague statements along general lines that might be regarded as being applicable to Mexico, there was no indication of the President's policy. It will be interesting in this connection, as an indication of the attitude of the high-class Mexican not only towards Huerta but towards the American Government, to state that at this juncture a group of Mexican statesmen in Mexico City, realizing the extreme gravity of the situation and the type of men we had to reckon with in Huerta and President Wilson, discussed the situation with the object of avoiding difficulties. These gentlemen were sufficiently versed in Mexican history, and sufficiently aware of the dependent condition of Mexico with regard to the United States, to appreciate that without the recognition of the American Government Huerta could not remain in power; they felt that the exercise by Mr. Wilson of the great power which the office of President of United States conferred on him to destroy Huerta would be arbitrary and unscrupulous but, nevertheless, they realized what the results would be.

They consequently decided to send an emissary to see Mr. Wilson and ascertain if he was determined not to recognize Huerta's government, and if this were his intention, they instructed their emissary to tell Mr. Wilson that they themselves would soon eliminate Huerta from the Presidency; that they would not permit his vanity to stand in the way of Mexico's welfare. The emissary was instructed to beg of Mr. Wilson that he should not openly oppose Huerta, as this would have the effect of consolidating Mexican public opinion behind him along nationalistic lines; that he permit the Mexican people themselves to eliminate Huerta from the Presidency and thus avoid a disagreeable situation, one which, as a matter of fact, was precipitated by Mr. Wilson's public refusal to recognize Huerta before this emissary could reach Washington, and was aggravated further by his dispatching of Mr. John Lind to Mexico. Mr. Wilson's public announcement, of course, had just the opposite effect in Mexico to what Mr. Wilson thought it would have; it strengthened Mexican sentiment for Huerta and gave him the support of the Mexican people in his personal conflict with President Wilson. Huerta could have been eliminated by the use of some tact.

It was at this juncture that the famous Lind mission was conceived and carried out. John Lind, a Swedish-American from Minnesota, who had never been in Mexico, knew nothing of Mexican affairs or of Mexican character and had no knowledge of the Spanish language, was chosen for a most delicate mission to Mexico City. Could there be anything as different in temperament as a Swede and a Latin-American? Mr. Lind was chosen, so Washington informed

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the American people, because he knew nothing about Mexico and, consequently, was not prejudiced. Lind proceeded to Mexico City, the details of his trip and mission being given the greatest newspaper publicity, and presented to Huerta, the president of an independent country, the astounding proposition that he eliminate himself from the Government of Mexico by calling a new election in which the Mexican people should *freely exercise their choice* and select another President. The people might not, however, select Huerta, so Lind informed him, not because he might not be the choice of the Mexican people, but because he was not the choice of Mr. Wilson. This proposal was actually given to the press by the American Government. It will not be necessary here to humiliate ourselves by recalling Huerta's answer to Lind. This was the first step of American intervention in Mexico. The President of the United States told Huerta, and through him the Mexican people, that he would not permit Huerta to be the President of Mexico; it was but a step further to insist that he would permit nobody but a certain person to be President, and Mr. Wilson soon arrived at this step—during the Niagara conference he took the position that he would allow no one to be President of Mexico but Carranza.

There is a very interesting phase in the negotiations between President Wilson and Huerta that has generally been overlooked. Mr. Wilson proclaimed in speeches and interviews that the person of Huerta did not itself matter so much, but that Huerta represented a class—the hated Cientificos—who had oppressed the "submerged 80 per cent" and that Mr. Wilson's interest in the matter, in fact, what he insisted upon, was that a look-in on their Government be given to the "submerged 80 per cent" and that they be permitted to establish a Government of their own choice; that the rebel leaders, Carranza and Villa, were the genuine popular leaders of this class and that a government must be established by them. As a matter of fact, when to the surprise of the American Government Huerta did not obey its order to retire, this administration, which in its relations with Mexico has never seemed to count in advance on the consequences of the failure of Mexico to comply with its many ultimatums, found itself in a delicate predicament. Mr. Lind was, therefore, authorized to compromise with Huerta, and with the class he represented, by agreeing that if Huerta would call an election in the territory controlled by him, and would not stand as a candidate, the American Government would not only recognize the President elected, but would endeavor to see to it that he obtained money; in other words, the President through Mr. Lind said to Huerta: If you will save my pride by leaving office, I will permit you and the class you represent (the Cientificos) to select your successor. Mr. Wilson's protestations of concern for the welfare of the "submerged 80 per cent" seemed to be rather conventional in view of this incident. Mr. Lind's exact words in this second note of August 25, 1913, were as follows:

The President authorizes me to submit to the consideration of the de facto Government of Mexico the following proposition:

1. That the elections convoked for October 26, 1913, be carried into effect in accordance with the constitution and laws of Mexico.

2. That President Huerta, in the manner indicated in the beginning by the President [Mr. Wilson] give the assurance referred to in paragraph C of the first instructions [that is, that Huerta should not be a candidate].

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The President further authorizes me to say that if the government de facto acts immediately and in conformity with the indications mentioned, then the President will assure the American bankers and their associates that the Government of the Unted States would view with pleasure the contracting of an immediate loan in sufficient amount to cover the necessities of the moment of the de facto Government of Mexico.

The hope is sincerely entertained that the Government of your Excellency will consider it in keeping with the best and highest interest of Mexico to accept immediately these propositions, which are submitted with the same spirit and the same objects as the first ones, but in this more restricted form, with the object that the Government of Mexico may act with regard to them, without the necessity of the cooperation or aid in the present circumstances of any factor foreign to the situation, [That is, without consulting the rebels Carranza and Villa, who in the opinion of the American Government, were representing the "submerged 80 per cent."]

In the President's interview that appeared in the Saturday Evening Post in its issue of May 23, 1914, a short while after the occupation of Vera Cruz, he stated:

It is a curious thing that every demand for the establishment of order in Mexico takes into consideration, not order for the benefit of the people of Mexico, the great mass of the population, but order for the benefit of the old-time régime, for the aristocrats, for the vested interests, for the men who were responsible for this very condition of disorder. No one asks for order because order will help the mass of the people to get a portion of their rights and their land; but all demand it so that the great owners of property, the overlords, the hidalgos, the men who have exploited that rich country for their own selfish purposes, shall be able to continue their processes undisturbed by the protests of the people from whom their wealth and power have been obtained.

It was these very people with whom the President now offered to compromise through Huerta.

The dispatching of the Lind mission was indeed an innovation in diplomacy, both because of its personnel and the nature of the undertaking. The President seemed highly pleased with the comportment of Mr. Lind, since in his address to Congress on August 27, 1913, he stated that—

Mr. Lind executed his delicate and difficult mission with singular tact, firmness, and good judgment.

When Huerta refused to accept the dictation of President Wilson, he became stronger than ever with the Mexican people. Mr. Lind, who ever since his trip to Mexico has been an active Carranza propagandist and an ardent opponent of armed intervention, returned to Vera Cruz after his humiliation by Huerta and recommended immediate armed intervention, presumably to avenge Mr. Lind; he advised his American friends in Mexico City to leave the country as intervention was imminent. Mr. Lind remained in Vera Cruz for a number of months where, under the protection afforded him by Huerta's Government, he conspired with the revolutionaries for the overthrow of that government, and actually entered into negotiations with a colonel in the Huerta army to overthrow his chief and let the Zapatista army into Mexico City. He was aided in these negotiations by Mr. H. L. Hall, a discredited American who lived in Mexico and one of the personal representatives of the President. All the details of that arrangement will be given to the committee if it desires.

It may be of interest in passing to refer to an incident indicating the esteem in which Americans in Mexico held Mr. Hall, who, as I

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have just stated, was one of the many personal representatives of the President. Mr. Hall was kidnapped by the Zapatistas near Cuernavaca, where he had lived for a number of years, and when the Zapatistas sent in a demand for a ransom of thirty pesos, Mr. Hall's neighbors refused to pay it.

Mr. KEARFUL. What do you conceive to have been the attitude of the American Government toward Americans in Mexico during this period?

Mr. BUCKLEY. The American Government never consulted Americans in Mexico and has always regarded them as unscrupulous adventurers who had left their own country and were in some way or other in league with the Cientificos for the purpose of exploiting the Mexican peon. I can not explain the reason for this fantastic theory, but this was the theory. Americans in Mexico City, a colony consisting of between 5,000 and 10,000 persons, realizing that their Government was about to make a decision in its Mexican policy that would be of far reaching importance, and feeling that their Governmen would be glad to avail itself of the opportunity of listening to the advice of Americans in Mexico, sent a committee of seven Americans to Washington to call on the Secretary of State and the President. Any European government would undoubtedly have been glad of the opportunity to consult its citizens of the type that composed this delegation to Washington and probably every American administration prior to the present one would have sought such advice. After a trip of 2,000 miles this delegation was permitted to see Mr. Bryan for a period of 10 minutes, during which time Mr. Bryan spoke 8 minutes; and was permitted to see Mr. Wilson for 20 minutes, during which their spokesman delivered an address which Mr. Wilson respectfully listened to but with a far-off expression in his eyes. Neither Mr. Wilson nor Mr. Bryan wanted to hear anything from Americans in Mexico or from Americans in this country who knew anything about the Mexican situation, and they ever after formed an effective quarantine against reliable information coming from unprejudiced and honest sources.

There were many incidents where American citizens, who had as their only concern the prestige and honor of their own country, were snubbed and insulted by officials of the American Government. One or two will be sufficient as illustrations. A delegation of citizens of El Paso, headed by Mr. Turney, a prominent lawyer, came all the way to Washington to beseech Mr. Bryan to intercede with the Mexican rebels to provide means whereby the American men, women and children stranded in Chihuahua could be brought to the border. Mr. Bryan did not receive this delegation in his office, but walked out into the waiting room and insulted them, telling them that they were not concerned with American women and children, but were thinking about their own property.

A Congressman from Texas, thinking that because of his knowledge of Mexican character his advice might be valuable, casually remarked to the President at a reception at the White House that he would like to come over some day and talk about the Mexican situation with him, whereupon the President told him very sharply that when he wanted to hear from him about the Mexican situation he would send for him. The President's attitude was so offen-

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sive that the Congressman in question never afterwards felt at liberty to call at the White House.

Every honest American who came to Washington from Mexico for the purpose of telling the American Government the truth was insulted, whereas dishonest and discredited Americans who had no regard for the good name of their country and who would stoop to come to Washington and tell the Government what the Government wanted to hear, and what these Americans knew to be untrue, were always received courteously and in a number of cases were rewarded with appointments as personal representatives of the President to Mexico.

In this connection it is worthy of note that during all these troublesome times, when over 100 prominent and cultured Mexican expatriates have resided in New York, there is not a single instance where any of them was called into consultation by the President on matters relating to their country, and concerning which they would certainly be regarded as an authority by unprejudiced people.

Mr. KEARFUL. We have heard a great deal about what is known as the Tampico flag incident and the subsequent occupation of Vera Cruz by the American forces, and there have been many conflicting and confusing statements made in regard to those incidents. Are you prepared to give a true story of what occurred at that time?

Mr. BUCKLEY. Yes. I was in Tampico up to a few days before the occurrence of the so-called Tampico incident and have many friends and acquaintances there and facilities for acquiring correct information. I was in Vera Cruz the day before that city was occupied by American forces, and returned to Vera Cruz on Mr. O'Shaughnessy's train a few days after the capture of Vera Cruz when this gentleman was given his passport by Huerta. I remained at Vera Cruz for several weeks, where I was tendered the position of Administrator of Justice in the American government, established there by Admiral Fletcher, a position which I declined, and had opportunity through association with the American officials in Vera Cruz to ascertain the truth with regard to the landing of the marines and the incidents that led up to the same.

Mr. KEARFUL. Will you proceed in your own way to tell the story of the Tampico flag incident and the consequent occupation of Vera Cruz?

Mr. BUCKLEY. Mr. Wilson's attempt to eliminate Huerta by using the persuasive powers of Lind, and by employing his favorite method of appealing directly to the people of the country over the heads of its ruler occurred in August, 1913. Mr. Lind, who had familiarized himself with the entire Mexican situation by reading the Encyclopedia Britannica, which he afterwards plagiarized in a statement he made on Mexico, and by making a trip from Vera Cruz to Mexico City and back again and then associating with revolutionary spies at Vera Cruz, reported to the President what the President wanted to hear; that is, that the Mexican people were overwhelmingly opposed to Huerta and would very soon drive him out of power. The situation between the two countries became very tense, and the Huerta Government seemed to become stronger instead of weaker; Americans in rebel sections of the country were being mistreated and killed, and there was much general dissatisfaction in the United States with the situation in Mexico. To hurry

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the triumph of the Carranza revolution, Mr. Wilson raised the embargo on arms and ammunition on the 3d day of February, 1914, without having first recognized the belligerency of the so-called Constitutionalist revolutionary government—a most extraordinary step. In his message to Congress of August 27, 1913, Mr. Wilson assured that body that Huerta would soon be eliminated by popular action of the Mexican people. On the contrary, the situation continued to lag and Huerta continued in power, much to the annoyance of the American Government. Finally, in March, 1914, the Tampico incident occurred, which gave Mr. Wilson the pretext for which he had long been waiting. A launch carrying marines from one of the American gunboats entered a prohibited zone within the range of firing at Tampico (the town was then being attacked by rebels), and the marines were arrested by a Huerta officer, acting under general orders, taken to military headquarters and there released without having been incarcerated, and, before any demand was made, the Huerta commander expressed his regrets to Admiral Mayo, in command of the American squadron.

Full details of this matter will be given later; but, suffice it to say, first, that the American flag was not insulted, and, second, that an apology was made before it was called for. This, however, was not sufficient, as the American Government was looking for a pretext for trouble with Huerta, in order to force him from a position where he was causing this Government much embarrassment.

We might for a moment pause here, in order to judge properly the extreme means that were taken by the American Government in this matter of the so-called insult to the American flag, and consider the sensitiveness of our Government in taking offense here compared with its attitude where the Carranza Government has repeatedly insulted our flag.

For instance, when the American refugees were taken out of Tampico on tankers in June, 1916, at a time when relations with Mexico were strained, a launch from one of the American gunboats carrying armed marines was delegated to escort the two tankers to prevent sniping by the Carranza soldiers, whereupon these soldiers fired on the American launch. When Capt. W. Pitt Scott, the splendid commander of the American gunboat *Marietta*, on his own initiative, called on the commander of the Carranza garrison to disavow the action of his soldiers the commander replied that he would not only not disavow this action, but that the soldiers were acting under his express orders. The American Government ignored this insult to the flag by the Carranza Government.

Not having been able to arouse the spirit of the American Government by this insult, Gen. Emiliano Nafarrate, the commander of the Carranza garrison at Tampico, then proceeded to write a series of insulting notes to Capt. Scott, one nearly every day for a week or so; in these notes he insulted the captain and the American Government, and expressed his opinion that the Americans were a treacherous race of cowards, that the American Government was playing false with the Mexican Government and was only waiting for an opportunity to conquer Mexico. Such conduct on the part of a Carranza official, one would think, might be construed as an insult to the American Government. I am informed that Capt. Scott reported the first insulting letter to Washington, but that upon re-

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ceiving no acknowledgment from his Government he filed the rest of the letters away in a scrapbook as they came in.

On June 19, 1916, Carranza soldiers fired upon American naval officers and marines from the gunboat *Annapolis* at Mazatlan on the west coast of Mexico. I quote from Commander Kavanaugh's report as quoted in the New York Herald of the 23d of that month:

The Government issued manifesto that officers were not to land, and guard was placed on dock. I sent ashore Ensign Kessing to parley with the Mexicans and ask them to send for the acting American consul or for one of the Mexican officials so as to arrange for American citizens coming off to the ship. I sent Paymaster Mowat with the party as interpreter, no trouble being anticipated, as Mexicans had not molested earlier boats.

I ordered boat officer to keep clear of landing, so that his boat could not be rushed, and I forbade him entering the town, the plan being that the boat was to lie well clear of the dock, and the officers therein to confer with party on shore. By my orders arms were carried concealed in the boat, and boat officers had positive orders to keep them hidden, and not use them unless fired upon, in which case he was to return the fire. The boat was a motor sailing launch, with a crew of three men.

Coxswain of the boat reports that after brief parley, Mowat, interpreter, informed Kessing that the Mexican said it would be all right for them to land. They did so, and were immediately seized. Kessing ordered boat to return to ship and report what had happened. When Mexicans saw boat start off they motioned it to return. Coxswain told them to wait a minute and kept heading for ship.

When the boat was about 100 feet clear from the dock, Mexican custom official, in uniform, fired his revolver at the boat, bullet striking near it. Five or six shots were immediately fired at the boat by Mexican soldiers.

Needless to say, Carranza was not required to salute the flag. So far as we know he was not required to make any apology or explanation of any kind.

The New York Herald bureau in Washington had the following to say about this incident in the same number of the New York Herald:

That the recent international incident at Mazatlan in which two United States naval officers were arrested and an American seaman was gravely wounded was almost a duplicate of the incident at Tampico which led to the celebrated demand for a salute from Huerta was shown in a report received at the Navy Department to-day from Commander A. G. Kavanaugh, commanding the gunboat *Annapolis*. Mr. Daniels, Secretary of the Navy, was questioned to-day as to whether a salute from Carranza would be demanded in this case. Mr. Daniels replied with the statement that the situation was so delicate a one that speculation as to action to be taken should be avoided by good Americans. He said, however, that Admiral Cameron McR. Winslow, commander in chief of the Pacific Fleet, had no authority to demand a salute in this case, and also that Rear Admiral Henry T. Mayo had no authority to demand it at Tampico, though President Wilson supported that demand with battleships. Mr. Daniels added that *the Tampico incident was different in that then the purpose was to force Huerta out of Mexico and that was accomplished.*

In 1916 the Carranza authorities organized and executed many raids into Texas, the proofs of which are in the State Department. Many of these raids were in charge of the bandit De la Rosa. It was alleged at the time that Gen. Nafarrate, the aforesaid Carranza commander in Tampico, was in connivance with De la Rosa, an allegation which was ridiculed in Washington. As a matter of fact, a Mr. Rogers, a cousin of Postmaster General Albert Burleson, was sent to investigate the border troubles by the Department of Justice, and in the early part of 1916 he saw the bandit De la Rosa in Tampico at the Imperial Hotel being entertained by Gen. Nafarrate, and so

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reported to the Department of Justice. Gen. Nafarrate at that time organized a military expedition against Texas, and I went down to the station in Tampico and saw this expedition leave that place, with arms and ammunition in a train provided by the Mexican Government. There was never any secret about this matter.

The above are a few incidents of insults of the American flag by the Carranza authorities, all without provoking armed, or any other kind, of intervention.

As a reprisal for the alleged insult to the American flag by the Huerta authorities in Tampico, the American marines were landed in Vera Cruz. It is interesting in this connection to note that, instead of taking the entire city of Vera Cruz, the capture of which could easily have been effected, the American forces took the customhouse and the post office and there waited for several hours while the Huerta garrison in Vera Cruz and the population of Vera Cruz were given an opportunity to arm themselves and attack the Americans. The reason for this was as follows: Lind had reported to the American Government that the people of Vera Cruz would welcome the landing of marines as an act of friendship, since their purpose would be to eliminate Huerta; that it would be merely necessary to capture the customhouse and the post office. Admiral Fletcher, in command of the American battle fleet in Vera Cruz, realized how ridiculous were the representations of Lind, as did also the capable American consul in Vera Cruz, Mr. William A. Canada, and worked out a plan for the occupation of the entire city, which he submitted to the American Government, and which Admiral Fletcher believed could have been effected without the loss of a man. The American Government paid no attention to Admiral Fletcher, but followed Lind's advice and ordered the capture of the customhouse and the post office on the theory that this would meet with the approval of the people of Vera Cruz and it would not be necessary to take the city. The result of this bungling was that over 20 American bluejackets and marines were killed. Mr. Lind, I understand, is still proud of his participation in this affair.

I do not imagine that the families of the boys that were killed in this affair felt compensated for this piece of gross negligence and criminal ignorance by the graciousness of the President in coming to New York and delivering an oration over the biers of the men who were killed, where he took advantage of the occasion to deliver a eulogy on himself. The President stated in part:

> War, gentlemen, is only a sort of dramatic representation, a sort of dramatic symbol of a thousand forms of duty. I never went into battle, I never was under fire, but I fancy that there are some things just as hard to do as to go under fire. I fancy that it is just as hard to do your duty when men are sneering at you as when they are shooting at you. When they shoot at you they can only take your natural life; when they sneer at you they can wound your heart, and men who are brave enough, steadfast enough, steady in their principles enough, to go about their duty with regard to their fellowmen, no matter whether there are hisses or cheers, men who can do what Rudyard Kipling in one of his poems wrote: "Meet with triumph and disaster and treat those two imposters just the same," are men for a nation to be proud of. Morally speaking, disaster and triumph are impostors. The cheers of the moment are not what a man ought to think about, but the verdict of his conscience and the conscience of mankind.

Mr. Wilson was very evidently referring to himself.

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Several versions have been given of just why Vera Cruz was taken. In the address just referred to Mr. Wilson stated:

> We have gone down to Mexico to serve mankind if we can find out the way. We do not want to fight the Mexicans. We want to serve the Mexicans if we can because we know how we would like to be free and how we would like to be served if there were friends by ready to serve us.

In his message to Congress, delivered on April 20, 1914, the day before Vera Cruz was taken, Mr. Wilson stated:

> I therefore come to ask your approval that I should use the armed forces of the United States in such ways, and to such an extent, as may be necessary to obtain from Gen. Huerta and his adherents the fullest recognition of the rights and dignity of the United States.

In the resolution that Congress passed on April 22, the day after Vera Cruz was taken, it is stated that:

> The President is justified in the employment of the armed forces of the United States to enforce his demand for unequivocal amends for certain affronts and indignities committed against the United States.

From this message and the resolution it would appear that Vera Cruz was captured to seek amends for an insult to our flag.

Admiral Badger stated in his message, dated April 21, 1914, to the Mexican commander at Vera Cruz, Gen. Maas:

> The United States naval force seized the custom house this morning for the purpose of preventing certain munitions of war from being landed in Vera Cruz. The object of this act has been accomplished and the steamer *Ypiranga* is now anchored in the harbor over which the Admiral has control, and the munitions are in his hands.

Here it appears that Vera Cruz was taken for the purpose of depriving Huerta of arms and ammunition.

In Secretary Franklin K. Lane's statement that appeared in the press during the last Presidential campaign he told the truth. The Secretary said that Vera Cruz had been taken to show Huerta that when the American Government told him he had to get out, it meant business. The truth was out at last.

Parenthetically it is very interesting to recall that if the taking of Vera Cruz was to prevent arms and ammunition from reaching Huerta, and in which purpose 20 American lives were sacrificed, that the *Ypiranga*, a few days later, went down to the harbor of Coatzacoalcos, a short distance south of Vera Cruz, and there, with 50 or 60 American battleships, gunboats, cruisers, and torpedo boats, in charge of several admirals, patrolling the surrounding waters, landed its arms and ammunition, which a few days later reached Huerta's hands. Carl Heynen, the representative in Mexico of the Hamburg-American Steamship Line which owned the *Ypiranga*, called on the chief of port at Vera Cruz, Capt. Stickney, an unusually obtuse naval officer, and tried to get him to order him, Heynen, or even ask him, not to permit his boat to land the arms and ammunition in question, as Heynen was anxious for an excuse not to obey Huerta's orders, but this brilliant commander practically ordered Heynen out of his office.

Mr. KEARFUL. We have often heard about the incident of a large number of Americans who were besieged at the hotels in Tampico, and confusing and contradictory statements have been made with reference to the abandonment of the Americans at that place by the

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commander of the American fleet. Will you please state the truth about that matter if you are able to do so.

Mr. BUCKLEY. This incident in the minds of Americans in Mexico bore the same importance as the landing of the Americans in Vera Cruz, because of its sinister implications. The facts of this case are as follows:

Small American gunboats had been kept in the river at Tampico a few hundred feet from the customhouse, from which marines could have been landed in 10 minutes, for at least two years, and at the time of the taking of Vera Cruz these small gunboats, together with several American battleships which were in the Gulf of Mexico within 3 or 4 miles from the mouth of the Panuco River, were under the command of Admiral H. T. Mayo. It must be borne in mind in this connection that Tampico is about 6 miles from the mouth of the river. During the afternoon or the night of April 20 (Vera Cruz was captured at 11 o'clock in the morning of the 21st) Admiral Mayo received orders to leave the harbor and go out into the gulf; at 10.30 the next morning Admiral Mayo obeyed orders and left Tampico.

The American Government knew, when orders were issued to Admiral Mayo to leave Tampico, that Vera Cruz was going to be taken, and Admiral Mayo knew this before he left the harbor at 10.30 on the morning of the 21st; nevertheless, neither Admiral Mayo nor the American Government made any arrangements whatsoever for the protection of American citizens in Tampico. As I said before, Vera Cruz was captured at 11 o'clock. At 1 o'clock a notice to this effect was posted on the doors of the municipal building in Tampico. By 5 o'clock that afternoon a mob of thousands of Mexicans had surrounded hundreds of American men, women, and children who had taken refuge in the Southern and Victoria Hotels in Tampico and threatened to kill them. Without hearing a word from either the American Government or Admiral Mayo, the captain of the German gunboat *Dresden*, which was in the river near the custom house, came to the rescue of the besieged Americans and ordered the Mexican authorities in Tampico to disperse the mob within fifteen minutes. This was done, and then the German captain arranged to take the Americans on the German and English gunboats lying near the customhouse, and on two or three other boats lying in the river under the protection of English and German guns, and the embarkation of the Americans under the protection of English and German guns was begun between 9 and 10 o'clock that night—the night of April 21st—and was concluded before 2 o'clock in the morning.

A week or so later, when a committee of American citizens from Tampico called on Secretary of the Navy Josephus Daniels to ask him why American gunboats had been maintained in Tampico for two years or more and then had abandoned the American citizens the first time their protection was needed, Secretary Daniels first stated that the gunboats were in the Gulf of Mexico, just outside of Tampico, where they could give full protection to Americans. He was informed that Tampico was situated 6 miles from the mouth of the river and that, consequently, the gunboats were anchored in the Gulf 8 or 10 miles from Tampico, from which place they could

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give no protection to American citizens. To this Secretary Daniels made the astounding reply that he had been under the impression that Tampico was situated on the Gulf. Secretary Daniels then stated that arrangements had been made with the British and Germans for the protection of the American citizens of Tampico before the American gunboats were withdrawn, but unfortunately for Secretary Daniels, the spokesman of the committee had been present at the last meeting between Admiral Mayo and the American consul at Tampico and knew that Daniels' statement was not true, and told him so. Daniels then cooly retracted his statement.

During the last presidential campaign Admiral Mayo made a statement, at the instance of the Democratic National Committee, which appeared in the New York Times on October 9, 1916, not quite 30 days before the election. The New York Times' story is as follows:

Admiral H. T. Mayo's own story of the so-called "Tampico incident," regarding which it has been charged by Republicans that American citizens were deserted in Mexico and their property destroyed, was made public yesterday through the Democratic National Committee in the form of an interview with Admiral Mayo by George Creel, a writer. Mr. Creel also interviewed Admiral Fletcher on what happened at Vera Cruz. Admiral Mayo was in command of the American naval forces at Tampico, and the entire "incident" centered around him.

"It is misrepresentation," he said, "to say that American citizens in Tampico were deserted in an hour of imminent danger. It is distorting facts to say that Americans, robbed of the protection of their own flag, were forced to seek refuge under the colors of a foreign power. It is not true that the Tampico affair was marked by gross bungling. The fact that close to 3,000 Americans were taken out of the city, without loss of life or destruction of property, is a result that ought to speak for itself. I have no interest in parties or political controversies, but I have a very deep interest in the honor of the United States, the pride of the American Navy. It is this honor and this pride that I am glad to defend against aspersion and misrepresentation."

The interview with Admiral Mayo was obtained on the deck of the Yankton, in Hampton Roads. Secretary of the Navy Josephus Daniels gave the admiral permission to talk to the interviewer as the result of widespread insistence that the "one man who knew" should be allowed to give all the facts in the case.

CONDITIONS NORMAL ON APRIL 20.

The admiral said, in his story of the affair:

"On April 14 Federal reinforcements had arrived, and the whole situation had improved to such a degree that I brought all the refugees in from the battleships and landed them in Tampico again. The rebels abandoned their attack on the city and withdrew, business was resumed, and conditions appeared perfectly normal. On April 20, in the evening, I received a wireless from Admiral Fletcher, stating that Secretary Daniels had ordered me to Vera Cruz, with all my ships except the Des Moines, which was to remain at Tampico."

"Then at the time Secretary Daniels issued the order, on April 20, he had every reason to believe that affairs at Tampico were normal, and that they had been normal since April 14?" Admiral Mayo was asked.

"That is the case, if by normal you mean what had existed for quite a while," he replied.

"The charge has been made, and is now being made repeatedly that both you and Consul Miller sent bitter protests to Secretary Daniels, and that he ignored them. Is this true?" was the next question.

"It is absolutely untrue," he said. "I have since learned that it was not until Admiral Fletcher filed his report in May that the Navy Department ever knew that a protest had been made. It was my judgment that I should remain at Tampico. I put this judgment up to Admiral Fletcher, my ranking officer, and he approved. Radio communication was difficult, however, and

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as his answer had not arrived by 7 o'clock on the morning of April 21, I arranged to start down the river.

"Just before passing out of the jetties, about 10.30 a. m., I received a wireless from Admiral Fletcher approving my recommendation and telling me to retain the *Connecticut, Dolphin, Des Moines, Cyclops*, and *Solace* to look out for American and foreign lives until other provision was made; also giving me my first information that he had been ordered to seize the customhouse at Vera Cruz. I sent word back that I was outside and would remain outside for further orders or developments. I was about 6 miles from Tampico.

COOPERATED WITH BRITISH SHIP.

"I received so many alarming reports during the night of the 21st and 22d that I decided to go up the river on the morning of the 22d and bring out the Americans. Early on the morning of April 22 I sent a message to Capt. Doughty of the British cruiser *Hermione*, telling him of my intent, and asking him to inform Gen. Zaragoza that I was coming in for the sole purpose of taking out American citizens.

"Capt. Doughty at once made a request that my plan should be changed. He pointed out that it was not only Americans who were concerned, but also English, German, French, and Spanish. He did not doubt my ability to handle the Tampico situation, but he did fear for the safety of all foreigners in the city and in the interior. One shot from my guns, one clash between my men and the Federal forces, and a fire would be lighted that would spread far faster than any relief expedition could hope to follow. What he suggested was that I should remain outside and permit him to collect all Americans quietly and slowly and then send them out to me.

"For three days the work of rescue went on. We took out about 3,000 Americans, dividing up among the ships as best we could. I chartered one steamer, and also had sent me two transports, the *Hancock* and the *Dixie*, and two Ward Line steamers. I sent about 2,100 American to Galveston in these vessels and the *Connecticut* and some colliers and destroyers. Also later sent a large number to New Orleans."

"Were any lives lost, Admiral Mayo?"

"Not a single life."

"Any property destroyed?"

"None, except losses incident to the rebel attack. Surely such results ought to constitute a sufficient answer to misrepresentations and aspersions. No bloodshed; no destruction. It would have been easy for me to have smashed Tampico into bits with my guns. Not only did I have the battleship *Connecticut*, the *Des Moines*, and the *Dolphin*, but early on the morning of the 22d three divisions of destroyers from Admiral Badgers fleet came up."

This statement is not true; I have already stated the facts. The admiral states:

"It is misrepresentation to say that American citizens in Tampico were deserted in an hour of imminent danger." The admiral himself admits that his boats left the Tampico Harbor at 10.30 on the morning of the 21st, and that Vera Cruz was taken at about 11 o'clock the same day, and that he knew when he left the Tampico Harbor that Vera Cruz was going to be taken. The fact that there was danger is proved by the formation of a mob within a few hours after Admiral Mayo left the harbor. The admiral states that his boats were within 6 miles of Tampico, and, the inference would be, near enough to protect Americans. This is misleading. In the first place, I do not think the boats could have been closer than 8 miles to Tampico, and certainly they were not close enough, since they were out in the Gulf of Mexico, to render any assistance to Americans. It must be recalled that these boats had been in the Tampico Harbor, and the American gunboats had been there for over two years, within a few hundred feet of the customhouse, where, as I stated before, marines could have been landed in 10 minutes. There could, conse-

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quently, be but one interpretation placed on their removal, and that was the interpretation placed upon it by the mob in Tampico, that all protection to Americans had been withdrawn. The admiral stated that "the fact that close to 3,000 Americans were taken out of the city, without loss of life or destruction of property, is a result that ought to speak for itself." He neglects a very important fact, and that is that all of these 3,000 Americans were taken out of Tampico by the Germans and English and transported down the river 6 miles to its mouth and out into the Gulf to the American battleships under the gallant command of Admiral Mayo. To the question, "Then, at the time Secretary Daniels issued the order on April 20, he had every reason to believe that affairs in Tampico were normal, and that they had been normal since April 14?" Admiral Mayo replied: "That is the case, if by normal you mean what had existed for quite a while."

The fact is, and Admiral Mayo knew it, that Daniels knew on April 20 that Vera Cruz would be taken, and that Daniels ordered the boats out of Tampico, not to aid in the capture of Vera Cruz—there were plenty of boats in Vera Cruz for this purpose—but because he felt, in his ignorance, that the presence of gunboats in Tampico might inflame the people against Americans, whereas the withdrawal had just the opposite effect of what was intended.

The Admiral then states:

I received so many alarming reports during the nights of the 21st and 22d that I decided to go up the river on the morning of the 22d and bring out the Americans. Early on the morning of April 22 I sent a message to Capt. Doughty, of the British cruiser *Hermione*, telling him of my intent and asking him to inform Gen. Zaragoza that I was coming in for the sole purpose of taking out American citizens. Capt. Doughty at once made a request that my plans be changed; * * * he feared for the safety of all foreigners in the city and in the interior; * * * one shot from my guns * * * and a fire would be lighted that would spread far faster than any relief expedition could hope to follow. What he suggested was that I should remain outside and permit him to collect the Americans, quietly and slowly, and then send them to me.

This communication from Admiral Mayo to Capt. Doughty was on the morning of the 22d. The Americans had been rescued the night before, removed from Tampico to the boats in the river, and were all safe under the protection of British and German guns. What Admiral Mayo's idea could have been in returning into the river after Americans were safe he does not explain.

As a matter of fact on the morning of the 22d, when breakfast was served to American refugees on the *Hermione* the same Capt. Doughty stated to the Americans that he did not have enough dishes or food to serve them all they might want to eat; that he was under no obligation to protect them; that it was the duty of their own Government to protect them, and that since their Government had failed them he had taken charge of them from purely humanitarian motives.

Admiral Mayo continues:

For three days the work of rescue went on. We took out about 3,000 Americans, dividing up among the ships as best we could * * *.

Were any lives lost, Admiral Mayo?

Not a single life.

Any property destroyed?

None, except losses incident to the rebel attack. Surely such results ought to constitute sufficient answer to misrepresentations and aspersions.

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Again an attempt to mislead. It took three days to transfer American refugees from English and German boats to American boats, but this was done from 6 to 10 miles from Tampico, out in the Gulf where it was difficult to transfer because of the heavy seas. In stating that no American lives were lost, Admiral Mayo must have referred to the splendid seamanship of American sailors in not dropping American women and children into the Gulf when they were transferred from English and German boats to American boats.

We have here the extraordinary spectacle of an admiral in the United States Navy making a statement which he knew to be untrue for the purpose of subserving the political ends of the party then in power. It was not a surprise to the Americans in Tampico that an admiral who would desert his post of duty at such a time should also make this statement.

Mr. KEARFUL. What opportunities have you had to secure personal information with reference to what occurred at the Niagara conference, which was a conference between representatives of the American Government and of Huerta?

Mr. BUCKLEY. I was in Vera Cruz in May, 1914, when the three delegates of the Huerta government to the Niagara conference, Lic. Emilio Rabasa, Lic. Luis Elguero, and Lic. Agustin Rodriguez, passed through Vera Cruz on their way to Niagara Falls to attend this conference. These gentlemen asked me to accompany them as counsel, which I did, and we went from Vera Cruz to Habana by steamer, from there to Key West by steamer, and from there to Washington by train. During this time I had the opportunity of ascertaining the ideas and the purpose of the delegates in question. From Washington the Mexican delegation went to New York and a day or so later proceeded to Niagara Falls.

Mr. KEARFUL. Were you in close touch with the members of the Mexican delegation from the time of your first connection to the close of the conference?

Mr. BUCKLEY. Yes.

Mr. KEARFUL. Did you have occasion to confer with American officials on the part of the Mexican delegates at this time?

Mr. BUCKLEY. I remained in Washington throughout the conference, except for the last week, and was constantly in touch with the officials of the American Government, principally Mr. William Jennings Bryan, Secretary of State, during this entire time as representative of the Mexican delegation.

Mr. KEARFUL. The committee would like to have from you a complete statement, in your own way, of the purposes, proceedings, and result of the Niagara conference.

Mr. BUCKLEY. A few days after the taking of Vera Cruz the Huerta government received an invitation from Argentina, Brazil, and Chile to participate in a conference with the representatives of the American Government under the auspices of those countries for the purpose of solving the questions that had arisen between the United States and Mexico. A member of Huerta's cabinet, without the knowledge of Huerta, called in secret meeting a group of Mexican statesmen who had taken no part in the Huerta government and informed them that the time had come when they must take an active

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part in the affairs of their country, regardless of their own preferences, if they would save Mexico from conquest by American troops. It can readily be seen that Mexicans who had not been connected with the Huerta government did not at that time care to become involved with a government that, since the occupation of Vera Cruz by American troops and the backing of the Carranza revolution by the United States, was doomed to last but a few weeks longer. These men foresaw what the consequences of such association might be. Nevertheless these gentlemen agreed with Huerta's minister, and upon the statement by this minister that if they would select a delegation to the conference he would insist that Huerta appoint it, they at once selected probably the three ablest Mexicans in Mexico, Lic. Emilo Rabasa, Lic. Luis Elguero, and Lic. Agustin Rodrigues, all lawyers of note, two of whom, I understand, had never held public office. Huerta appointed these gentlemen.

When the Mexican people saw these three patriotic men leave the country for the purpose of conferring with the American Government, they breathed a sigh of relief, for they felt sure that no mean spirit of partisan advantage would be permitted to stand in the way of an honorable settlement of the difficulties between the United States and Mexico. These delegates represented what was best in Mexico, and the United States could not then or now produce abler men than those comprising the Mexican delegation. No government could have had a better opportunity to learn something about another country than the American Government had in its association with these three gentlemen, and the opportunity of the American Government to reach an understanding with what was best in Mexico was one that few Governments would have overlooked.

It was natural to assume, since the object of the taking of Vera Cruz, as set out in the President's message to Congress and in the resolution passed by this body, was for the purpose of compelling Huerta to make amends for his alleged insults to the American flag, that negotiations would be limited to a discussion of this matter. The Mexican delegation came fully prepared to make such amends as the strong American Government might demand, provided they were consistent with the independence of Mexico. They soon suspected that instead the internal affairs of Mexico would be taken up at this conference, and in their impotence to resist this encroachment on the sovereignty of Mexico they reconciled themselves to discuss these matters.

Before arriving in the United States the Mexican delegation learned that the ministers of Argentina, Brazil, and Chile had invited Carranza to send representatives to the conference that was to adjust differences between Mexico and the United States, and had advised Carranza that since his representatives and Huerta's representatives must appear in the same conference, it was only reasonable and just that hostilities should be suspended pending the termination of the same. To this invitation Carranza replied that he would send delegates to treat of the differences between the United States and Mexico—that is, the differences between the United States and Huerta—but that he would not agree to suspend hostilities, and that

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he would not deal with Huerta. Under the circumstances there was, of course, no object in his sending representatives, and the mediators immediately advised him that since he refused to suspend hostilities they felt compelled to withdraw their invitation to him to participate in the conference.

This invitation to Carranza was in itself sufficient indication that the internal affairs of Mexico were to be discussed and that negotiations were not to be limited to the flag incident, and this impression was confirmed upon the arrival of the Mexican delegates in Washington. The mediators, in a conference they had with the Mexican delegates on the afternoon the latter arrived in Washington, advised these gentlemen that the American Government would insist upon taking up the internal affairs of Mexico and would insist that Huerta be eliminated; that if the Mexican delegation would only agree to this, they would have no trouble with the American Government, everything would be satisfactorily arranged, and the American Government would agree that a government be established in Mexico satisfactory to all parties.

If you will recall the situation in May, 1914, just after Vera Cruz was taken by the American troops, you will remember that the general impression prevailed in the United States that a conflict had arisen between the American Government and Huerta, and there was general insistence that the prestige and pride of the American Government required that Huerta be eliminated from power, even though it be necessary to occupy Mexico for that purpose, and that the press was demanding that Funston's troops be sent on up from Vera Cruz to Mexico City. The predicament of the American Government was most embarrassing, since it had decided to take Vera Cruz on the theory that it would thereby gain the gratitude of the Mexican people, who would immediately overthrow Huerta, but found instead that as a result of criminal ignorance over 20 Americans and hundreds of Mexicans had been killed, and that the Mexican people had rallied around Huerta. The American Government had misjudged the situation; it did not want to go through with its undertaking to eliminate Huerta, since this involved the military occupation of a large part of Mexico; and it did not want to recede in the face of American public opinion, which opinion was not interested in the motives that impelled the American Government to make the decision that Huerta should be eliminated, but whose pride and vanity were aroused when this decision was made, and who insisted that the American Government go through with its project. The American Government eagerly seized at the opportunity for a conference in order to gain time. When the Mexican delegation arrived in the United States the entire press was speculating as to whether Huerta would consent to resign, the general impression being that he would stay in Mexico and die at his post.

This will impress upon you the importance at that time of Huerta's resignation, the intense anxiety that the American Government felt, and its extreme desire to secure this resignation and thus relieve itself of embarrassment. Foreseeing that Huerta's resignation would be required, and that there would be an impassé unless this were forthcoming, the Mexican delegates insisted, as a prerequisite to their acceptance of the mission, that Huerta agree

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to resign, and the latter did so before the delegation left Mexico City. The Mexican delegation realized the importance of coming to an agreement with the United States as soon as possible, but at the same time understood the importance of coming to a definite understanding as to what was to follow this resignation.

The Mexican delegation, at their first informal conference in Washington with the mediators, did not commit themselves to Huerta's elimination, although they heard with satisfaction that if this were accomplished a neutral government satisfactory to all factions would be established in Mexico.

The next day the Mexican delegation went to New York, and spent a day or so there before leaving for Niagara Falls. A prominent Democratic Senator called on one of these gentlemen—they were under the impression that he had come from Washington to see them—and told them that if they would only induce Huerta to resign their troubles would be at an end, and that the American Government would see to it that a neutral government satisfactory to all factions would be established in Mexico.

Although the Mexican delegation had no doubt that what the mediators said was authoritative, as also what the United States Senator said, nevertheless they asked me to remain in Washington. and to see the President, either directly or indirectly, the day after they left Washington and inform him officially that Huerta would resign, and that in submitting this offer it was the understanding of the Mexican delegation that a neutral government should be established in Mexico. I called on Dr. D. F. Houston, Secretary of Agriculture, whom I had known for some years, and explained the situation to him and stated the attitude of the Huerta delegation, and informed him of the assurance of the A B C mediators given to the Huerta delegation. Dr. Houston was very much pleased, and stated that, even without the voluntary resignation of Huerta, Mr. Wilson would insist that neither Carranza nor Villa nor any of their active adherents be President of Mexico, under the theory that he had expounded as the basis of his Latin-American policy that he would recognize no man who had risen to office through force, which would eliminate the leaders of the revolution; that, as a matter of fact, these leaders were not seeking power and were unselfish in their efforts to relieve Mexico of a tyrant. This was on Sunday, and Dr. Houston promised to call on the President the next day and advise him of this message from the Mexican delegation. I heard nothing further from Dr. Houston, and advised the Huerta delegation that they could proceed with all confidence.

The Mexican delegation, in order to be sure of their ground, consulted Huerta by telegraph asking him to confirm his offer to resign and advising him that a neutral government would be established. Huerta immediately replied, confirming his authorization to them. The Mexican delegation, in all good faith, officially advised the American delegation and the mediators, at the first full session of the conference, that they were authorized to state that Gen. Huerta had agreed to resign and eliminate himself from the situation.

You can readily see that after Huerta's promise to resign had been published he lost his hold on the Mexican people, as they considered that he had surrendered in his fight with the President of

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the United States. After this news was published, what prestige Huerta had in Mexico was gone, and there was no way for him to recover it. Thereafter the Mexican delegation was at the mercy of the American Government.

It was natural that since the American Government insisted that the internal affairs of Mexico be settled at this conference, it should also insist, in fact compel, Carranza to participate in the conference. It was expected that the American Government, because of its sponsoring of the revolution, could induce these men through moral pressure, to send a delegation, and all knew that it could compel them to participate by exercising the material pressure at its command. The Mexican delegation, after perfunctorily offering to make amends to the United States in return for the immediate evacuation of Vera Cruz, a request which was refused, asked that an armistice be arranged between the contending parties in Mexico, involving a suspension of hostilities, and that Carranza be asked to send delegates to the conference. The American Government offered to exert its influence to the end that the Carranza revolutionary junta in Washington agree to both of these propositons, and I have no doubt that the Government did use its best offices to accomplish these purposes; but the Carrancistas refused to suspend hostilities.

The Mexican delegation then asked that inasmuch as the Carrancistas would not appear in the conference, they be eliminated from consideration; the American delegation refused to accede to this, and proceeded in the discussions that followed themselves to represent the claims of the Carranza faction. The Mexican delegation then asked that since the American delegation was representing the cause of the Carranza faction, and the latter would receive the benefit of any advantageous arrangements, it agree that the Carranza faction would abide by the results of the conference; this reasonable request was also refused by the American delegation.

Early in the conference the American delegates agreed to waive an indemnity and to waive an apology as a result of the alleged insult to the American flag, which eliminated the international aspect of the conference, and proceedings from then on dealt exclusively with the establishment of a provisional government in Mexico, which was to call elections in order that the Mexican people might be given the opportunity to designate their permanent government. It was agreed that a commission composed of a president, who should be neutral, two Huerta adherents, and two Carranza adherents, should continue the provisional government.

The Mexican delegates to the conference and the mediators were anxious to come to an agreement as soon as possible and conclude their labors. The American delegates delayed matters from one day to another without satisfactory explanation. This was undoubtedly due to the fact that the American delegates soon learned that they had absolutely no authority and were compelled to consult the American Government on each matter as it came up, and to the fact that the American Government could not agree to anything until it had consulted the Carranza revolutionary junta.

It must be remembered that the embargo on the shipment of arms and ammunition to Mexico had been raised some time before, with the result that Carranza and Villa were getting all the arms they

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needed, but that Huerta was getting none. As a result of the possession of these means of warfare, and as a result of the loss of prestige that came to Huerta after he agreed to resign, the revolution was making great progress. The Mexican delegation had insisted from the very beginning that if the American Government could not induce Carranza to suspend hostilities, it certainly could, to show its good faith, place an embargo on arms and ammunition, pending the conclusion of the conference between the Huerta delegates and Carranza revolutionary junta, represented by the American Government. The American Government, finally, about the 1st of June, agreed to place an embargo on arms and ammunition.

Three or four days after this new embargo was declared, the Ward Line steamer *Antilla* sailed from New York for Tampico with a large supply of arms and ammunition to the Carranza forces. The Mexican delegates immediately wired me, and within a few hours after the boat sailed I called on Mr. Bryan, feeling confident that there had been some mistake.

I reminded Mr. Bryan of the embargo which had been declared a few days before and asked him how it was that the boat had been permitted to leave the United States, to which Mr. Bryan replied that he understood that the order had not reached New York until an hour or so after the boat left. My recollection now is that the order was issued on Thursday and the boat left on Tuesday. I asked Mr. Bryan how he accounted for this delay, to which Mr. Bryan replied that he really could not account for it. He said that he of course could call in the chief of the proper section of the State Department and ask him, but that this would look as if he were criticizing this chief, and of course he could not do that; or that he might call in the "press boys" and ask them how this had happened, but that it would not look exactly right for him to go outside of his department for information, and that he didn't care to do this. Mr. Bryan, however, seemed to be entirely satisfied to remain in ignorance as to why this order had been delayed four days or so in arriving at New York; the matter did not seem to bother him at all, and it did not seem to occur to him that he of all men ought to know just what had happened.

I then asked Mr. Bryan to have the boat recalled, as it was only a few hours out from New York; Mr. Bryan declined to do this. I asked him then to order the boat to unload the arms and ammunition in Habana, where it touched before reaching Vera Cruz; Mr. Bryan declined to do this. I then asked him to order the captain of the boat not to unload the arms and ammunition in Tampico, but Mr. Bryan declined to do this. In other words, he insisted on breaking faith with the Mexican delegation.

Huerta immediately issued orders to his gunboats not to permit the *Antilla* to enter the port of Tampico, whereupon the American Government announced that the American squadron at Tampico would prevent the Mexican gunboats from interfering with the *Antilla*. The right of the American Government under international law to prevent Huerta from stopping a boat carrying arms and ammunition to the revolutionary faction is, of course, conceded by no one. This determination of the American Government also, of course, constituted another act of intervention in the internal affairs

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of Mexico. In addition, it is a stain on the honor of the United States.

In connection with the embargo on arms and ammunition, and the promise of the American Government to the Mexican delegation and to the mediators not to permit American arms and ammunition to reach Carranza, I will state that Mr. Lind, personal representative of the President and active Carranza revolutionary agent, was then in Washington, extremely busy as a messenger between the Carranza revolutionary junta and the State Department; he was carrying orders from the revolutionary junta to the department. Mr. Lind stated generally that while no more *Antilla* incidents would occur, the revolutionaries had arranged to get all the arms and ammunition they wanted; that this would be accomplished by having ships take out their papers to Habana and then go to Tampico; and that the American Government had consented to the evasion. I immediately called on Mr. Bryan and asked him if this were true, and he stated that it was. Mr. Bryan stated that these ships would take out papers to Habana, and that the American Government would have no official knowledge that they were going to Tampico; that if, after they got out in the Gulf, they diverted their course the American Government would have nothing to do with it, or, as Mr. Bryan insisted, the American Government would have no "official knowledge." Mr. Bryan seemed to draw a very marked distinction between himself as Mr. Bryan and himself as Secretary of State. No further confirmation of the bad faith of the American Government was needed.

Mr. Lind's and Mr. Bryan's words were made good. On June 6 a million cartridges were shipped on the steamship *Sunshine* from Galveston to Tampico. Thereafter the schooners *Sunshine*, *Grampus*, and *Susan* made six trips from Galveston to Tampico, each time carrying shipments of war materials to the Carranza revolutionaries; all these boats, according to the speech of Representative Rogers, previously referred to, were consigned to Habana, but "by stress of weather they were blown to Tampico."

An incident that occurred in the above conference with Mr. Bryan will indicate the type of mind that the Mexican delegation and the mediators had to deal with. Mr. Bryan stated, leaving aside for a moment the engagement of the American Government, that there was no reason why Carranza should not receive arms and ammunition since Huerta had received them through the *Ypiranga*, the boat which, you will remember, was the occasion of the landing at Vera Cruz according to Admiral Badger, and which unloaded its arms and ammunition a few days later at Coatzacoalcos, a short distance south of Vera Cruz. I reminded Mr. Bryan that Huerta felt no gratitude to the American Government for getting these munitions, as it was a case of bad management by the American Government. Mr. Bryan then stated that when Admiral Fletcher reported to the Government that these arms were being unloaded at Coatzacoalcos the American Government thought there was a mistake and consequently did nothing until it was too late, as he had received assurances from the German ambassador to the effect that the Hamburg American Line would not deliver this cargo to Huerta; Mr. Bryan then thought a minute, and said that "No; he would not be positive that the German ambassador had given this assurance." He

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then thought another minute and said that he was quite sure now that the German ambassador had not given such assurance.

After the American and Mexican delegations had agreed that there would be a neutral government as outlined above, it was arranged with the Mexican delegation that they should name several neutrals who would be considered by the American Government in the selection of one to be President of the new commission. The Mexican delegation and the American delegation discussed this matter for several days, and I discussed it several times with Mr. Bryan. The American Government did not seem to be able to make a choice, and something seemed to be the matter. Finally I had a conference with Mr. Bryan on June 6, in which the situation was defined. I quote from the translation of a letter I wrote to one of the Mexican delegates on June 7:

I passed the entire day yesterday in conference with Mr. Garrison [Secretary of War] and Mr. Long, Chief of the Department of Latin-American Affairs in the State Department; in the afternoon I saw Mr. Bryan for a moment, and last night I was with this gentleman from 9 until after 11.

The officials of the State Department, including Mr. Bryan, seemed to be very much preoccupied yesterday, but last night Mr. Bryan was again his normal self, due no doubt to his conference with the President.

Mr. Bryan, with admirable frankness, advised me of the attitude of the administration, in view of which you may deduce the result of the conference.

The Government [American Government] considers that Huerta can not remain in power many days longer [Mr. Bryan states]; that everybody knew this when the conferences were initiated, and that since the authority of Huerta was doomed to disappear, and since Carranza was to enter into authority, the principal object of the conferences was and is now to carry out the inevitable without the shedding of blood and to transfer the Government of Mexico from the hands of Huerta to those of Carranza by peaceful means. That if Carranza were placed under the necessity of conquering the capital he might not be able to contain his people in their desire to commit revenge; that a durable peace could not come as a result of compromise [this was an exact repetition of what Cabrera had told me a day or two before]; that he thought the attitude of the Mexican delegation was arbitrary in insisting that Carranza should consent to an armistice, although he personally had tried to persuade him to accept this condition; that the influence of Washington with the rebels was exaggerated, but that even if it did have sufficient influence the government would not exercise it for the reason that what the Mexican delegation asks is that the American Government aid in perpetuating in Mexico, not Huerta but Huerta's régime; that no effort of the Mexican delegation can induce the American Government to break with the Carrancista régime, which this Government considers has the support of the Mexican people and which will form the government which is destined to pacify the country, and with which the American Government must treat; that the government of Huerta had taken every pretext to insult the Government of the United States, and that when the proposition was made to Huerta through Lind that he consent to an armistice he had replied with insults, and that in view of his attitude he could not expect from Washington an attitude hostile to the rebels.

I reminded Mr. Bryan that we had been dealing now for some time on the selection of a neutral for provisional President and that his attitude constituted a decided change, to which he agreed. I then reminded him that the Mexican delegation had participated in the conference and had induced Huerta to agree to resign on the representation and promise of the American Government that it would agree to a neutral as provisional President: at this Mr. Bryan became very much annoyed and stated:

When you can't keep a promise you can't keep it, and that is all there is to it; I don't want to hear any more about it.

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I then asked Mr. Bryan if the American Government would consent to the appointment as provisional President of a constitutionalist who had not taken up arms—that is, a civilian constitutionalist—that if he would consent to this it would help to save the pride of the Mexican delegation and would also show that the American Government was consistent in the doctrine it had laid down that it would not recognize in Latin-America any man who arose to power through force. Mr. Bryan thought over this for a long time, and then finally told me frankly that the American Government would agree on nobody for provisional President but Carranza. I finally asked him, then, if the American Government would be consistent in the policy it had announced with regard to Huerta and would agree that since Carranza was to be provisional President he must not be a candidate for permanent President, and that the American Government would not recognize him as such. Mr. Bryan said, "No; Carranza must be provisional President and permanent President." This ended the conference.

Since the American delegation to the Niagara conference had agreed that of the commission of five the President would be a neutral, their position was most embarrassing. A few days after I saw Mr. Bryan and reported the result of the conference to the Mexican delegation, the American delegation weakly proposed that this neutral Provisional President be Gen. Angeles or Gen. Natera, two revolutionary generals. This was so absurd that the Mexican delegates advised the mediators that they would not continue this cynical discussion.

At about that time Villa decided to revolt against Carranza, and Carranza, fearing that he would lose out all around, sent word to the mediators that he would participate in the conference but that he would first have to consult his subordinates, with which maneuver he gained a little time. The mediators, anxious to end this humiliating conference, announced that since all international difficulties had been satisfactorily adjusted, it would be best to adjourn the conference and have the Huerta delegates and the Carranza delegates agree on a neutral government, independent of outside dictation. A few days later, when Carranza had adjusted his difficulties with Villa, he refused to participate in the conference.

In this whole connection it is interesting to speculate on American prestige in Latin America.

Mr. KEARFUL. The committee is interested in having a true picture of the Carranza revolution from its inception to the time of his entry into Mexico City. Are you able to draw such a picture?

Mr. BUCKLEY. The Carranza revolution, in spite of the encouragement it had received from the American Government, including the permission to introduce arms and munitions, had not progressed as rapidly as its friends had expected. The Mexican people soon perceived the purposes of the revolution and did not sympathize with it. At an early stage of the revolution, when Carranza was in Hermosillo, Sonora, controlling a small portion of territory, he gave an interview to Mr. Hamilton Fyfe, a correspondent representing a large English newspaper, which shocked everybody who read it, and which confirmed abroad the impression that the Mexican people had already

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gained of the purpose and nature of this new revolution for the redemption of Mexico. This interview is as follows:

"Have you any definite plans for land reform and other reforms?" I inquired.

He thought a moment. Then he replied: "The first necessity is the fair and free election of a President. The election which is proposed now will be a farce. In the disturbed state of our country it is impossible to hold a proper election. Large numbers of voters will not know anything about it. We Constitutionalists refuse to recognize any President who may be returned at the fraudulent election. We shall execute anybody who does recognize him."

"I beg your pardon," I said. "Would you kindly repeat your last statement?"

I thought I must have misunderstood it.

"We shall," the general said calmly and as if he were making a perfectly natural remark, "execute anyone who recognizes a President unconstitutionally elected and directly or indirectly guilty of participation in the murder of Madero."

Carranza's revolution never at any time had popular support. Carranza propagandists in the United States ask, if this is true, why the Carranza revolution prospered and why Carranza has not been overthrown. If a Government depends for its existence in Mexico on popular support, these propagandists might answer why it was Diaz remained in office for 35 years. The truth is that it does not matter what a great majority of the Mexican people think; the mass of the people have not the ability to think clearly, and have not the knowledge on which to base convictions, or the public spirit to act on them. As a matter of fact, the Carranza revolution succeeded and the Carranza Government has remained in power, in the first place, because it has been backed by the American Government and, in the second place, because it has utilized the bandits of the country, who have the virility to make subject the entire Mexican population of 15,000,000, with the very valuable support, we must not forget, of the American Government.

The irresponsibility of the mass of the people in Mexico is incomprehensible to the average American. Where a city like Mexico City, with a population comprising 100,000 men, all Catholics, will permit a man like Obregon, and the 3,000 ruffians who comprised his army of occupation, to starve the city and take over 150 priests, march them through the streets of the city to jail, and then load them in box cars and cattle cars and ship them out of the city, without making any resistance outside of a feeble manifestation, such a people have not the public spirit to establish a government based on their own will.

I will not go into details of the Carranza revolution, and shall refer only to certain instances that will explain its nature. Even the peon schoolboy in Mexico knew that Carranza's revolution was a revolution sponsored by the United States and that the American Government had placed Carranza in power. Both because Carranza and his followers are the type of Mexican that make the hatred of the American a religion, and also undoubtedly because of their sensitiveness to the reproach of their own people that they were the puppets of the American Government, the Carrancistas devote a great part of their energy to mistreating the Americans and robbing them of their property.

It had been thought up to the time of the Niagara conference that the American Government was more or less directing the policy and

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guiding the steps of the revolution. As a matter of fact, a fact easily ascertainable by those who are interested, the Mexican revolutionary junta in Washington was directing the Mexican policy of the American Government. During the course of the Niagara conference Mr. Bryan repeatedly gave me phonographic repetitions of statements that Mr. Cabrera and Mr. Vasconcelos had made to me earlier in the day. Mr. Bryan delayed many of his decisions during the course of the conference so as to ascertain what the revolutionary junta would advise or, rather, direct. The group of Americans whom I referred to during the first part of my testimony will within the next few weeks furnish to the committee detailed information showing the relations between the American Government and its representatives and the revolutionaries. At this time I will refer to only a few of the more important details.

I had a conversation in 1914 with Luis Cabrera, in which Mr. Cabrera very frankly told me that the menace of the Americans in Mexico must be removed and that the only way to do this was to drive him out of the country and take his property. At a banquet given in Vera Cruz in the latter part of 1915 to Gen. Carranza, which was attended by the consuls of foreign countries, Cabrera dilated on the aims of the revolution and stated that the constitutionalists were going to confiscate American property and take over the American oil wells; and, turning pointedly to Mr. Canada, the American consul, he told him to report this to his President. Cabrera's tone was so offensive that the Cuban consul started to leave the meeting, but was restrained by Mr. Canada, who, being the American consul, had become accustomed to insults from the Carranza authorities.

During the conversation above referred to as having taken place in Washington I told Mr. Cabrera that the American Government would not permit the Carranza government to drive the Americans out of Mexico and confiscate their property, as Mr. Cabrera stated the Mexican Government was going to do, whereupon Mr. Cabrera smiled and told me that he was surprised at the ignorance of the average American on public matters. He explained to me that Mr. Wilson was what he was pleased to term an advanced liberal, a great Democrat, whose concern was for the welfare of the people of the world and was not limited to the narrow bounds of the United States. Mr. Cabrera considered Mr. Wilson to be the same kind of a Democrat as he, Mr. Cabrera, was. He said that Mr. Wilson was opposed to capital in Mexico and everywhere else in the world, no matter to whom the capital belonged, and that in expelling the American from Mexico the constitutionalists would receive the sympathy of the American Government. The Carranza authorities have proceeded confidently on this theory and have never had the least fear of compulsion from the American Government and have regarded all protests from the American Government as being insincere and merely perfunctory.

It would be tedious to refer to the conduct or words of the officials of the American Government to confirm this opinion of the Constitutionalists, and I will merely refer to an incident that occurred in Tampico in 1916. The Mexican employees of the refinery of the Pierce Oil Corporation had engaged in a strike, promoted by the

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Carranza authorities, and proceeded to take possession of the refinery. When the American superintendent, Mr. Warren, demanded that the authorities give him possession of his company's property, they paid no attention to him, and when the American Consul made similar demands the authorities did not even reply to his notes. The superintendent of the refinery went to the American consulate, and on finding there the commander of the American gunboats in the harbor, demanded of him that he and the property of his company be given protection, and stated that he was entitled to protection under the rules of international law. The commander in question is a red-blooded American, who undoubtedly did not sympathize with the policy of his Government, but who possessed sufficient discernment to understand this policy perfectly. The naval commander informed Mr. Warren that, of course, he was entitled to protection under the rules of international law, but that he, the Captain, represented a government which had repudiated international law; that the American squadron was there not to enforce international law, but to carry out the policy of the American Government, and that under this policy Americans abroad were not entitled to any protection whatever; and regardless of his own opinions in the matter, he had no discretion, since his responsibility was to his Government, and he must, therefore, decline to give Mr. Warren or his property or any other American protection of any kind.

Mr. KEARFUL. From what source do you get the information as to the conversation you have just related?

Mr. BUCKLEY. I was standing in the Consulate when it happened, and I heard part of it and the Captain of the gunboat recounted this conversation to me just after it occurred.

(Whereupon at 12:30 o'clock p. m. a recess was taken until 1.30 o'clock p. m.)

AFTER RECESS.

Mr. KEARFUL. You have mentioned Mr. John Lind, a personal representative of President Wilson who was sent to Mexico to eliminate President Huerta. In December, 1914, Mr. Lind published a booklet on page 22 of which he refers to the improved prospects of Mexico under Carranza and says: "The indications are promising. The discipline and restraint shown by the victorious Constitutional armies and their chiefs were most creditable and encouraging." When was it that the victorious Constitutional armies under Mr. Carranza entered Mexico City?

Mr. BUCKLEY. In August, 1914.

Mr. KEARFUL. I was present in Mexico City in August, 1914, and I know you were. Will you give a description of what occurred there upon the entry into Mexico City of the victorious Constitutional armies of Carranza, with special reference to whether they displayed discipline and restraint, and as to whether what they did was creditable and encouraging.

Mr. BUCKLEY. The Carranza army, upon its entry into Mexico City, did not show the restraint that Mr. Lind speaks about in the booklet you have just quoted. The armies committed all manner of excesses and the officers distributed among themselves the finest dwellings in Mexico City, where they held orgies for several months and which they eventually looted. They sold furniture to pawn-

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shops and libraries to book dealers and wine to the different restaurants in the city. It is notorious that what Mr. Lind states is not true, and his statement is merely the statement of a Carranza propagandist.

Mr. KEARFUL. Who was in command of the advance forces that entered Mexico City at that time?

Mr. BUCKLEY. Gen. Alvaro Obregon.

Mr. KEARFUL. What class of people were his forces composed of?

Mr. BUCKLEY. Almost entirely of Yaqui Indians.

Mr. KEARFUL. Do you remember the house that Obregon himself occupied?

Mr. BUCKLEY. Yes; my recollection is that it was the Braniff home on the Paseo de la Reforma.

Mr. KEARFUL. You have mentioned Joaquin D. Casasus as one of the so-called Cientificos and at one time an ambassador to the United States. Do you remember that his house was occupied by one of the Carrancista generals and subsequently looted?

Mr. BUCKLEY. Yes; it was occupied by Gen. Luçio Blanco. Although my impression is that it was looted by another Constitutionalist officer after Blanco left it.

Mr. KEARFUL. Do you remember the circumstances of a certain American official, a close personal and political friend of Secretary Bryan, who occupied apartments in the Casasus home during the time of its occupancy by Gen. Blanco?

Mr. BUCKLEY. Yes.

Mr. KEARFUL. Do you remember the official position that he held?

Mr. BUCKLEY. Yes; my recollection is that he was collector of customs at Brownsville.

Mr. KEARFUL. Please proceed with your statement.

Mr. BUCKLEY. Notwithstanding the assurances of Mr. Bryan and Mr. Lind that Villa was absolutely loyal to Carranza, the former did what nearly every revolutionary chief in the history of Mexico has done; he revolted against his civilian superior Carranza. Through the intervention of the American Government, which in its dealings with Mexico has persisted in ignoring the lessons of Mexican history, a convention was arranged between the Villa party and the Carranza party at Aguascalientes. Since this city was then in the territory of Villa, he did just what Carranza would have done if it had been in his territory—surrounded the convention hall with troops and compelled the convention to name as President his own appointee Eulalio Gutierrez, whereupon Carranza repudiated the action of the convention. Of course, the convention was opened, as all Mexican conventions are, with great ceremony, and in this particular case a Mexican flag was desecrated by being kissed by each of the delegates as a pledge to abide by the decision of the convention. Later the flag was stolen by one of the delegates.

The entire Republic of Mexico was then given over to a state of anarchy; Mexico City was taken and retaken time and again within a year by Villistas, Zapatistas, and Carrancistas. Homes in Mexico City were looted and occupied by the different generals, the Carrancistas distinguishing themselves in their barbarous conduct; churches were robbed, prominent Mexicans and foreigners were kidnapped, horses belonging to the diplomatic corps were stolen, several diplo-

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mats were driven out of the country, and a general reign of terror continued. The American Government was all the time assuring the American people that conditions in Mexico were rapidly approaching one of peace, and was cooperating with the different revolutionary factions in keeping the truth from the American people. There was little train communication, and it took several weeks for a letter to reach the United States. Representatives of 17 nationalities in Mexico City organized a national committee which unofficially took charge of foreigners and their affairs in Mexico City. This committee made desperate efforts to convey the truth of the situation to the American people and to the outside world, but was unable to cope with the opposition of the American Government.

American newspapers will not print a record of what has happened two or three weeks previously, and it was impossible to keep them advised each day of happenings in Mexico. A rigid censorship was imposed in Mexico City, and any newspaper men who were discovered sending out news unfavorable to the faction in charge was immediately 33d; that is, expelled from the country. Americans for a while sent mail through the American diplomatic pouch, but when the American Government discovered that news of conditions in Mexico was being sent to the American people in this way, it forbade the further use of this diplomatic conduct.

The international committee and the American subcommittee wired full reports of conditions to the American Government, and in vain begged this Government to publish their statements and appeals to the American people. The President replied that he must decline to do this for fear that the Carranza authorities might make reprisals on the foreigners sending these reports—rather unusual solicitude for their safety.

Of all the leaders who had charge of Mexico City, Gen. Alvaro Obregon distinguished himself as the worst. It is not out of place to remind the committee that Gen. Obregon is now a candidate for President and is actually posing in the United States as being pro-American. Obregon is regarded as the most bitter anti-American chief in the revolution. During the war, when it seemed that Germany was going to be successful, Obregon wrote a book on his record as a military leader, which was designed to serve as a basis for his appeal for the Presidency, and it was taken from the mails by the American authorities on its way to an American city to be printed. Obregon in this book referred to the disdainful manner in which he had treated Paul Fuller and other representatives of the American Government. He stated that on occasions he refused to meet them, and always told them that Mexico was a free and independent country and would not tolerate any intervention on the part of the American Government; that he approved the attitude of his chief, Carranza, in his endeavors to form a union among Latin-American countries to oppose the designs of the Colossus of the North, etc. When Germany was defeated, Obregon modified his book somewhat and eliminated most of the anti-American passages. Obregon is of the opinion, however, that there is no limit to the gullibility of the American people and expects the support of our Government in his aspiration for the Presidency. He and Pablo Gonzalez, the other prominent candidate for the Presidency, are

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endeavoring now to compel foreign firms in Mexico, those which have not yet been run out of the country by themselves and their associates, to contribute the greater part of the funds necessary for their campaign expenses. Of course, when such solicitations are made, funds must be advanced or reprisals will be visited.

Obregon took charge of Mexico City and committed every outrage that his ingenuity could suggest. There were at that time no trains to the north and only at rare intervals a train to Vera Cruz. The plight of 500,000 inhabitants can easily be imagined. Obregon decided to punish Mexico City for reasons that no civilized man could understand. He threw a cordon of troops around the city and would permit the introduction of only a limited amount of food; vegetables he allowed to enter only at certain hours of the day, he cut off train communications with Toluca, and at times with Puebla; his Yaqui Indians killed peaceful citizens in the suburbs of Mexico City, with the same motives that the Germans had in killing innocent people in Belgium—to terrorize the community; the electric lights were turned off after a certain hour each evening, and water was allowed to enter the city only at certain hours during the day; all the controllers were taken off the street cars and shipped to Vera Cruz with the result that the street car system of Mexico City was paralyzed and residents in suburbs had to walk from 3 to 10 miles. These controllers could not be used at Vera Cruz, and the only purpose in taking them was to punish the people of Mexico City.

Obregon had entered Mexico City flying the black flag of anarchy. He made a compact with the I. W. W. whereby the latter were to join in the fight against Villa and be rewarded by owning the Republic. Obregon made speeches and issued proclamations, all of which will be presented later to the committee, calling upon the rabble of Mexico City to loot the city and telling them that if they did he would do nothing to protect property. It was very difficult for him to get the rabble started, so he sent his troops to lead them in looting a prominent church in the very center of the city, the Church of Santa Brigida, and also the adjoining parochial school. After the soldiers had started the looting the rabble went in and took even the tapestry off the walls and also took out the flooring. Some Americans and Mexicans became so indignant at the sight that they seized clubs and dispersed the mob. When Obregon heard of this he dispatched troops to the church, not to punish the mob for looting but to protect it against those who had interfered with the looting. The soldiers pursued the small group of American and Mexicans to the American Club, where the latter barricaded the doors and protected themselves against Obregon's soldiers until the Brazilian Minister could arrive at the club and persuade the soldiers to desist. Obregon then delievered the church and parochial school to the I. W. W. to be used as their headquarters.

In casting about for a means of looting the city Obregon imposed a tax of 20,000,000 pesos on business men, for the purpose, so he humorously alleged, of alleviating the condition of the poor. When Mexican business men tried to question him about the distribution of this money and suggested that the same be made under the supervision of a committee appointed by themselves, he had over 100 of these

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men arrested and placed in the penitentiary. When the foreigners, under the leadership of the Americans, refused to pay this tax Obregon compelled them to close their houses of business, which were kept closed for several days, to the great suffering of the Mexi can people.

Foreigners subscribed to a fund to be used by themselves in alleviating the condition of the poor, a condition induced by Obregon and his soldiers, and sent agents to Toluca and other places in the neighborhood of Mexico City to purchase large quantities of corn and wheat, which, however, they were not able to bring to Mexico City for the relief of the starving population in which Obregon had taken such an interest, because the revolutionary chiefs demanded the payment of graft before they would permit the use of trains for the transportation of foodstuffs. The international committee wired to Mr. Bryan, asking him to use his influence with his friends, the military chiefs, to permit the passage of foodstuffs, but to no avail.

Mr. KEARFUL. I want to ask you about the international committee. Who composed it?

Mr. BUCKLEY. It was composed of the representatives of 17 nationalities residing in Mexico City, most colonies sending one representative, and several colonies, such as the American, English, French, German, and Spanish, having two representatives on this committee.

Mr. KEARFUL. The representatives being elected by the respective colonies?

Mr. BUCKLEY. Yes.

Mr. KEARFUL. I want to ask you further, were you present, and did you personally observe the occurrences that you have just been describing?

Mr. BUCKLEY. Yes; I was also a member of the international committee, chosen by the American Colony.

Mr. KEARFUL. Please proceed with your statement.

Mr. BUCKLEY. As if Obregon was not satisfied to starve the population of Mexico City, he decided to outrage their religious sentiments, and arrested over 150 priests, marched them through Mexico City, and imprisoned them for a day or two. When the populace started to demonstrate against such outrageous treatment, he had his troops fire into them, killing several people and stopping the public manifestation. Obregon then took these unfortunate priests, put them in box cars and cattle cars and shipped them down to Vera Cruz.

The opinion that the American Government formed of Obregon and Carranza is shown by the note which it had Silliman deliver to Carranza in Vera Cruz at that time and which it transmitted to Obregon through the Brazilian Minister in Mexico City. The note is as follows:

We have been anxious and perplexed over the statements in dispatches from Mexico City regarding the situation there, and have concluded that the best course at present is for you immediately to see Gen. Carranza and present to him a most earnest and emphatic note in the following sense:

The Government of the United States has noted with increasing concern the reports of Gen. Obregon's utterances to the residents of Mexico City. The Government believes they tend to incite the populace to commit outrages in which innocent foreigners within Mexican territory, particularly in the City of

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Mexico, may be involved. This Government is particularly impressed with Gen. Obregon's suggestions that he would refuse to protect not only Mexicans but foreigners in case of violence, and that his present manifesto is a forerunner of others more disastrous in effect. In this condition of affairs the Government of the United States is informed that the City of Mexico may soon be evacuated by the Constitutionalist forces, leaving the populace without protection against whatever faction may choose to occupy it, thus shirking the responsibility which may happen as a result of the instigation to lawlessness before and after the evacuation of the city.

The Government of the United States is led to believe that a deplorable situation has been willfully brought about by Constitutionalist leaders and forces upon a populace submissive to their incredible demands, and to punish the city on account of refusal to comply with them. When a factional leader preys upon a starving city to compel obedience to his decrees by inciting outlawry, and at the same time uses means to prevent the city from being supplied with food, a situation is created which it is impossible for the United States to contemplate longer with patience. Conditions have become intolerable and can no longer be endured.

The Government of the United States therefore desires Gen. Obregon and Gen. Carranza to know that it has, after mature consideration, determined that if, as a result of the situation for which they are responsible, Americans will suffer by reason of the conduct of the Constitutionalist forces in the City of Mexico, or because they fail to provide means of protection to life and property, will hold Gen. Obregon and Gen. Carranza personally responsible therefor. Having reached this determination with the greatest consideration, the Government of the United States will take such measures as are expedient to bring to account those who are personally responsible for what may occur.

The reply of Carranza is of academic interest in that it has some typical examples of bombastic misrepresentation and falsehood, in which Carranza has so cynically engaged in his correspondence with the American Government. I will quote only a few excerpts from this reply:

Although the terms in which this note is worded would afford me cause for not answering it, it is my wish, notwithstanding, that my silence be not construed as a justification of the charges contained in the same. I have tried to put aside for the moment references which are made to my personal responsibility and, looking only for the good of my country and for the benefit of the cause which the Mexican people has entrusted to me, I thought it my duty to answer it at once.

Reserving the privilege of answering more fully and in detail through the customary diplomatic channels the note referred to lately, I take this opportunity to state, in an earnest and emphatic way, that Gen. Obregon has never intended to incite the hungry populace of the City of Mexico to commit outrages of any character. He has not prevented in any way the entrance of food supplies in Mexico City, but on the contrary he has facilitated such importation. He has not created willfully the distressing conditions which prevail at present in the City of Mexico, but he has done everything in his power to alleviate them. Such situation is the consequence, painful but unavoidable, of the state of war in which we are and which for the first time has really reached the City of Mexico, but it has been aggravated by the conduct of the merchants, who openly, defiantly, and with concert of action closed their commercial establistments in the moments of greatest public distress as a protest against the humanitary relief tax that Gen. Obregon imposed.

In the face of the charges expressed by the international committee in their complaint to the State Department, I point you to the fact that Gen. Obregon has been in possession of the City of Mexico since the 26th of January until today, without mobs, assassinations, lootings, or any other of the outrages which are apt to occur and which frequently do in times of war. During all this time large amounts of food supplies have been taken into Mexico City, and large quantities of supplies have been distributed among the distressed people, and, besides, other important measures have been taken looking to further relief, which I will mention in detail at the proper time.

It was only three days ago that the State Department at Washington directed the attention of the American residents in the City of Mexico to your former advice that they should retire from the country until the condition should be

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settled. It is my most earnest wish that the other foreign residents will follow a line of conduct similar to the one suggested by you to the American residents, for the adoption of such a course would be the wisest measure that can be taken to avoid the consequences so much feared.

Obregon was in Mexico City in February and a part of March, 1915. The above reply of the Carranza Government to the American Government is dated March 9, 1915. In view of Carranza's assurances contained in the above note to the effect that the people in Mexico City had not suffered from lack of food, and that everything was being done to feed these people, it is interesting to refer to a report made by representatives of the American Red Cross just three months later, on June 7, in which they quote Carranza as stating that—

The latest military successes have palpably made certain the triumph of our cause. *For this reason* I have decided to permit the free exportation of food to the City of Mexico.

The report of the Red Cross representatives in Vera Cruz is as follows:

First Chief Carranza gave out the other day that he would "permit food supplies to go to Mexico City" in view of the "great victories gained recently by the Constitutionalist Army."

This was a virtual confession that the first chief had not been permitting food to reach Mexico City theretofore, but would do so now in a spirit of magnanimity, because some success had come to his armies. The leading editorial in El Democrata, a Constitutionalist organ of Vera Cruz, lavishly praised First Chief Carranza for his "great heart" in showing the "magnanimity of a conqueror," and permitting the exportation of food to the starving people of the most important city of Mexico.

The editorial called attention to the alleged fact that the people of the City of Mexico were all enemies of the Constitutionalist cause, because they were happy when Gen. Alvaro Obregon (who did his best to starve them) withdrew with his forces, but said that the noble-hearted first chief, in spite of this enmity to his cause, would let the people have food if anyone cared to send it to them. It must be understood that the Constitutionalists were not bothering themselves to relieve the distress by sending any food to the starving women and children, but that they would no longer put obstacles in the way of anyone else sending it.

First Chief Carranza, the man who declared that he is fighting for the liberty of the people, who is always on the side of the poor and the oppressed, sent his permission to his confidential agent in Washington, apparently to give to the State Department, or to the Red Cross Society. The exact wording of the message from the first chief was as follows:

"The latest military successes have palpably made certain the triumph of our cause. For this reason I have decided to permit the free exportation of food to the City of Mexico."

While the Mexican people were starving the Carranza officials were looting the country and exporting hides, corn and beans, as well as furniture and everything else of value. That the American Government was cognizant of this, and of the bad impression that the attitude of the Carranza authorities would produce on the outside world, is shown by the note transmitted by the State Department to Mr. Silliman on June 18, 1915, from which I quote the following:

In your conversation with Gen. Carranza mention that while the *Buford* was unloading 60,000 pounds of corn and beans consigned to the consulate for charitable distribution to relieve famine conditions, and while meat, corn, and other provisions were becoming scarce in Vera Cruz, the Ward Line steamer *Mexico* loaded roughly 100,000 pounds of beans for export to New York. Such events, presumably with the sanction of the Carranza government, have had wide circulation in the United States as well as similar acts by Federal au-

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thorities in the north, and are producing an extremely bad impression as to the motives of leaders who allow such practices, when it is well known that the food supply of Mexico is at the famine point, and that the President of the United States has been in the necessity of appealing to the American people for assistance to satisfy the starving in Mexico.

On July 23, 1915, the American Government sent another note to the Carranza government, through Mr. Silliman, in which it is shown that the American Government was fully informed of conditions in Mexico, the note also being important because it admits the responsibility of the United States to the rest of the world for conditions in Mexico. There have been charges that Mr. Bryan, while Secretary of State, made definite assurances to European Governments to the effect that if they would permit the American Government to handle the Mexican situation in its own way this Government would be responsible to the European Governments for all damages their nationals might suffer. It is said that for this reason European Governments have not been so vitally concerned with the Mexican situation, because of their faith in their ability to collect the damages from the American Government. Among other things, this note contains the following statement:

This Government feels that the critical time has come when the choice which is now made by the constitutionalist leaders will practically determine the success or failure of the Government they mean to set up and the reforms that they hope to effect. We venture to say this because of our earnest sympathy with the main purposes of the constitutionalists and our desire to be of permanent service to them in bringing Mexico out of her troubles. We have been forced by circumstances into a position in which we must practically speak for the rest of the world. It is evident that the United States is the only first-class power that can be expected to take the initiative in recognizing the new government. It will in effect act as the representative of the other powers of the world in this matter, and will unquestionably be held responsible by them for the consequences.

Mr. KEARFUL. Will you proceed now to relate the incidents leading up to the recognition of Carranza by this Government as head of the de facto government of Mexico, including the proceedings of what is known as the Pan American Conference?

Mr. BUCKLEY. Conditions in Mexico had become so intolerable that even the American Government had to take official notice of them. The patience of this Government seemed to be exhausted with the continuation of anarchy in Mexico and with the contemptuous treatment it had received from the revolutionary chiefs it had placed in power.

On the 2d day of June, 1915, Mr. Wilson issued his famous appeal, in which he called upon the chiefs of the three factions to adjust their differences, with the threat of supporting those who agreed to compromise, or, possibly, of intervening.

Villa and Zapata immediately agreed to arbitrate their differences, but Carranza defied the American Government, whereupon the American Government recognized Carranza.

When Carranza refused to submit his differences to arbitration and insisted that Mexico was a free and sovereign Republic and that he would not permit foreign dictation, Mr. Wilson pursued his customary policy of appealing directly to Carranza's subordinates and sent messages to all of them. These subordinates referred him back to Carranza.

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The American Government was apparently greatly incensed at the action of Carranza, and gave every indication that it had finished with him and would withdraw its support, for it ceased its policy of prohibiting the news with regard to Mexico from reaching the American newspapers, and for a period of several months the American press contained long and authoritative accounts of outrages in Mexico, showing the inability of the Carranza government to establish peace, and the incapacity and corruption of the leaders. This was continued until Carranza was recognized, whereupon the American Government immediately shut down on the truth being given out to the newspapers. An interesting incident in this respect occurred in connection with the Red Cross Society. The Red Cross had solicited funds for use in Mexico, and was distributing food among the starving people, when Carranza decided that his Latin pride would not permit him to allow this to continue—his Latin pride did not seem to interfere with his permitting his officials to loot the Republic. The Red Cross office in Washington had been giving out the reports of conditions in Mexico to the American press, and continued to do so after the recognition of Carranza, notwithstanding the fact that the executive branch of the Government had decided that the truth about conditions should no longer be given to the American people. Mr. Tumulty soon phoned the director of the Red Cross and reprimanded her for this conduct and told her to stop it.

The Pan-American conference is interesting now, principally because it indicates the shifty attitude of the American Government with regard to Mexico and the absence of a policy of any kind.

Preparations were being made for the election, and the Democratic National Committee insisted that something be done about Mexico, that it be not permitted to continue in a state of anarchy until the presidential election of 1916. With the idea of placing the responsibility on Latin-America, the ministers in Washington of Argentine, Brazil, Chile, Bolivia, Uruguay, and Guatemala, were called into this conference.

The American Government then went through the form, at the first meeting of the conference in New York, of giving to the bright Latin Americans the benefit of the American Government's superior knowledge of conditions in Mexico. As I have stated before, the Latin Americans were, of course, entirely conversant with conditions in Mexico, some of whom had lived there, and for the very obvious reasons that have already been explained, did not sympathize with the attitude of the American Government in supporting bandits in Mexico and thus establishing a precedent for later promoting revolutions in their own countries and overthrowing the very governments which they represented. After a hundred years of experience, all of South and Central America is ruled by the class that ruled in Mexico in the time of Diaz—the so-called "Cientificos." One can imagine the sympathy that these gentlemen had with the attitude of the American Government in overthrowing in Mexico the very type of government that they represented in South and Central America.

At the time the American Government called the Pan American conference it had the intention of backing Francisco Villa, and shaped its plans accordingly. With the idea of giving to the Latin

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American diplomats the benefit of the superior kowledge of the American Government of conditions in Mexico, it decided to send to the first session of the Pan American Conference one of the many personal representatives of the President. The last personal representative of the President to visit Mexico was Duval West, of San Antonio, Tex., who had only recently returned from Mexico, and who had traveled all over the country and had met all the revolutionary leaders, and it was but logical that the American Government should have given to their Latin American associates the benefit of their latest advices and have sent Mr. West to report to those gentlemen. There was, however, a great obstacle to having Mr. West do this, because this gentleman had returned and told the truth about conditions in Mexico and reported that all the factions were composed of bandits. The American Government, therefore, instead of sending West to the conference, selected Mr. Paul Fuller, of New York, who had been to Mexico a year before as a special representative and who had come back, as was usual with most personal representatives, a confirmed adherent of one of the factions—in this case the Villa faction.

Mr. Fuller appeared before this conference and astounded the Latin Americans by explaining to them that Villa was a splendid leader with high ideals; he told them that Villa had a well-disciplined army of thousands of men, although everyone of the Latin-American delegates knew that Villa had been driven to the very frontier of the United States and had taken refuge in Juarez. Mr. Fuller proved that Villa was a leader of high ideals by producing the Villa revolutionary program, which he himself had translated. There could, of course, be no more conclusive proof than this!

The Pan American conference was then adjourned for a few days for the ostensible purpose of enabling the Latin Americans to fully digest Mr. Fuller's report; as a matter of fact, the conference was adjourned for the purpose of giving the American Government time to complete arrangements to back Villa. Villa had just a few days before, not fully realizing apparently that the American Government was contemplating recognizing him, gathered together the merchants in Chihuahua and robbed them. Gen. Scott, Chief of Staff of the American Army, was rushed to El Paso for a conference with Villa. I do not know what happened at the conference, although we have Villa's version for a part of it, but the fact remains that immediately after the conference Villa rushed back to Chihuahua, returned the loot to the merchants and, to show his indignation, had several of his followers executed, presumably for having robbed the merchants under his orders. This produced a fine impression upon the uninitiated.

The Latin-American delegates to the Pan American conference were, of course, not among the uninitiated. All these shrewd gentlemen knew just exactly what the American Government was doing and followed all of its steps and the steps of its devious confidential agents with great interest.

In this connection it is interesting to note that for reasons that it is difficult to understand the American Government had always been extremely fond of Villa, and he was decidedly their pet. Gen.

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Scott found great pleasure in having his picture taken with Villa; he seemed to be flattered by the association. When the committee of Tampico oil men conferred with the President shortly after the taking of Vera Cruz, the President was gracious enough to tell them something about conditions in Mexico and assured them that "Villa is the safest man in Mexico to tie to."

During the progress of the Niagara conference, Mr. Bryan asked me, upon my suggesting that Villa would undoubtedly revolt against Carranza, where I had received my information, to which I replied that I had received it from a perusal of Mexican history, which shows no instance of a Mexican chief winning a revolution and handing the fruits over to a civilian. Mr. Bryan smiled with the assurance of a man who possesses inside information and told me that he knew that Villa was loyal to Carranza because Villa himself had assured him of the fact. This, of course, was final. Mr. Bryan also stated that Villa was an idealist and that reports to the contrary were all manufactured by the Cientificos and Wall Street. He said that, of course, Villa had committed some outrages, but those had occurred early in his career; that the American Government, realizing his possibilities, had sent Gen. Scott to confer with him, who advised him that under the rules of civilized warfare it was not considered proper to kill prisoners, and when he showed Villa a book containing the rules of warfare Villa evinced such an interest in this discovery that he asked Scott for the book. Villa did not know before, apparently, that it was wrong to commit murder; since that moment he had become a changed man. A few years later the American Government apparently discovered that Villa had reverted to his original occupation of being a bandit.

An attorney from Washington appeared in New York a few days after the first session of the Pan American conference and asked for a meeting with two Mexican gentlemen who had been driven out of Mexico and who belonged to that class which the American Government insisted had been exploiting the Mexican people for years. The attorney in question represented himself to be on a mission from Mr. Lansing. The Mexicans wished to satisfy themselves that this was the case and asked me to investigate the matter, as I was in New York at the time. I telephoned a man in Washington and asked him to call on an official of the State Department and ascertain whether the gentleman in question was really representing Mr. Lansing, to which he replied that he was. The conference then took place and this representative proposed to the so-called Cientificos that they combine with Villa and receive the backing of the American Government, which they indignantly refused to do on the ground that they would not associate with bandits.

A few days later Mr. McCombs, chairman of the Democratic National Committee, called on the same two gentlemen and suggested the possibility of their party receiving the backing of the American Government in view of the fact that Carranza refused to participate in the conference and that Villa and Zapata were too weak to justify the backing of the American Government. Mr. McCombs stated that he would have to return to Washington for a consultation with regard to details, and a few days later he and another member of the Democratic National Committee, whose name I do not care to

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mention, and Senator J. Hamilton Lewis, returned to New York to confer with the two Mexican leaders. They stated that they were authorized by the President of the United States to conclude a deal. The Mexicans at this conference suggested that this was a very grave matter and since they did not have a perfect command of English and had little experience in dealing with Americans, and that I represent them in the negotiations. Whereupon the three Americans named one of their own number as their representative.

Mr. KEARFUL. Do you desire the committee to understand that the three men who appeared in New York assumed to represent the President of the United States in these negotiations?

Mr. BUCKLEY. Yes. I do not know whether they really represented the President, but I do know that they stated that they represented the President. On carrying on negotiations for a day or two the representative and I failed to reach a definite agreement.

The Latin-American diplomats, for reasons that I have already mentioned, were almost without exception opposed to the recognition of Carranza. After finding that it would be impossible to make a satisfactory arrangement with other factions, the American Government decided to recognize Carranza and called the final meeting of the conference.

When the Latin-American representatives went to the final meeting they went there knowing that they would be called upon to recognize Carranza and also went there with the feeling which had been derived from reports that had been very assiduously circulated. that if they did not recognize Carranza the alternative would be armed intervention by the United States. While the Latin Americans did not want Carranza, they, of course, did not want armed intervention, especially armed intervention coming as a result of a Latin American Conference. When the representatives of the American Government proposed the recognition of Carranza they reluctantly consented.

The Latin-American representatives in this case showed the weakness that men of their race usually show in a crisis. There is every reason to believe that the American Government did not intend to intervene at that time. As a matter of fact, by agreeing to the recognition of Carranza the Latin-American delegates agreed to a policy that led inevitably to intervention; they agreed, against their own judgment, to recognize as President of Mexico a man who was doomed to failure, and the result of the failure promised to be armed intervention. Whatever the Mexican people may hold against the American Government as being responsible for their plight and their suffering—and there is no doubt that the American Government is largely responsible—the Latin-American countries represented in this conference shared the responsibility, and history will convict them of failing at a critical stage in the development of Latin-American relations in courage to take the resolution prompted by their best judgment. If the Latin-American representatives had declined to recognize Carranza, the American Government would not have dared to do so, especially after having convoked the Latin-American conference.

True to the policy of the American Government with regard to Mexico, inspired dispatches from Washington appeared in the press

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the next morning to the effect that Latin America had achieved a great diplomatic triumph and had forced the United States to recognize Carranza. This false report was, of course, given out for the purpose of laying a predicate for placing the responsibility on Latin America in the event that Carranza should fail.

Mr. KEARFUL. I think the next epoch in the progress of events is that which culminated in what is known as the conference of the American-Mexican commission, and leading up to that the committee would like to have you touch upon the incidents of the Columbus raid, the Pershing expedition, and the proceedings and result of the conference of the American-Mexican commission.

Mr. BUCKLEY. I do not recall the details of the Columbus raid, except that it was a raid by Villa troops on an American town, in which several Americans lost their lives. I do know the version of Villa's followers as to the cause of this raid, which might be interesting to the committee.

Those followers have always claimed that when Gen. Scott, the friend of Villa, met him the last time at El Paso he solemnly promised, in his capacity as representative of the American Government, that this Government would never recognize Carranza. Villa reported this to his agency in New York at the time of the Pan-American conference. His followers claim that Villa raided Columbus in revenge for this alleged deception by the American Government.

I do not recall the details of the Pershing expedition, except that it accomplished nothing. In order to consider the differences that existed between the two Governments and to determine the bases on which the expedition would be withdrawn, the American-Mexican Commission met, composed of Luis Cabrera and Alberto Pani, representing Mexico, Mr. Franklin K. Lane, Mr. John Mott, and Judge George Gray, of Delaware, representing the United States.

The net result of this conference was that, after negotiating for weeks, an agreement was entered into which was summarily set aside by Carranza. The conference is remembered by Americans in Mexico because of the impression given out that Mr. Lane and his associates from that time on would handle the Mexican situation; that the President had turned it entirely over to them. I know that Mr. Lane at least took this view very seriously. After the conference had broken up Mr. Lane issued a strong statement to the press, in which he showed plainly that he considered that the final decision in Mexican matters had been turned over to himself and his associates. Mr. Lane plainly stated that the Pershing expedition would not be withdrawn until Carranza came to his terms; that the American people were a pacific people, but, thank God, were not pacifists. A few days after this brave declaration of American policy was issued by Mr. Franklin K. Lane, Mr. Wilson, summarily and apparently without even consulting Mr. Lane, withdrew the troops from Mexico.

This conflict, like all other conflicts between the American Government and Carranza, resulted in a victory for the latter.

Mr. KEARFUL. You have several times referred to a large number of personal representatives of President Wilson who at various times operated in Mexico. Are you prepared to make a statement in

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general respecting those representatives and also with respect to the several representatives in particular?

Mr. BUCKLEY. Yes. Having discarded the methods usually employed in international matters, the President sent a swarm of personal representatives into Mexico, and the State Department, imitating this policy, also sent a number of special representatives. At times several representatives would be dealing with the same faction, all claiming to represent the real views of the State Department. Often the representatives of Carranza would also be selected to represent the American Government in its dealings with Carranza.

Representatives were sent to each faction—the Villa faction, the Zapata faction, and the Carranza faction—and they became itinerant diplomats, traveling through the country with the chiefs of the various factions. These gentlemen, almost without exception, became ardent admirers and advocates of the cause of the particular faction to which they were accredited, and instead of representing the American Government and people they represented the factions in question to the American Government. Their one concern was for the advancement of the particular group in question, and they seemed never to be concerned with the prestige of the American people and the welfare of Americans in Mexico. They never hesitated to advise Americans who appealed to them for help that under the new order of things they were not entitled to any help, that they had no business in Mexico, had been ordered to leave repeatedly, and that their presence in Mexico merely served to hinder the Mexican revolutionaries in carrying out their program for the betterment of the Mexican peon and the establishment of a democratic government.

The majority of these gentlemen became the paid representatives of different factions on their return to the United States, and detailed evidence will be presented to the committee of the financial connections of a number of them with the different factions, if desired. The majority of these special representatives seem to have had strong business inclinations.

The most distinguished of these representatives undoubtedly was Mr. John Lind, who has already been referred to as having been selected because of his ignorance of Mexican affairs. Mr. Lind still gives evidence of being as ignorant of Mexican affairs as he was on the day of his appointment. During the Niagara conference I had a talk with Mr. Lind and found that this gentleman divided Mexico into two classes, the Mexican from the north and the Mexican from the south; just where the dividing fell he did not specify. The Mexican from the north, he said, had been influenced by American ideas and ideals, had become democratic in his instincts and aspirations, was courageous, honest and trustworthy, and American; the Mexican from the south, on the contrary, was still affected by what Mr. Lind was pleased to term European traditions; he was backward, revengeful, monarchical in his tastes, and was altogether bad. This revolution, so Mr. Lind stated, was really a civil war between the north and the south, in which we, the American people, must see to it that the north won out.

Mr. Lind was obsessed with three ideas: A most sensitive regard for his own dignity as representative of the President of the United States; the theory just stated that people from the northern part of

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Mexico were superior to those from the southern part; and an intense hatred of the Catholic Church. His hatred for Huerta became a personal feeling; it was impossible for him to mention Huerta's name without indulging in profanity. Huerta had outwitted and humiliated him, and Lind could not forget it. He had gone to Mexico on a most ridiculous mission, a demand for the abdication of the President of a supposedly sovereign Republic, a mission which no man with any experience in world affairs would ever have undertaken, and had consequently become the laughingstock of both Mexicans and Americans. Lind seemed to blame Huerta for this situation, instead of blaming himself or his chief. I stated before that in his humiliation he was quite willing that the Army and Navy of the United States be used to avenge him. He has been opposed to armed intervention ever since, when it has been suggested that the Army and the Navy of the United States be used to protect American citizens in Mexico.

Mr. Lind is typical of that provincial American, who, in need of civilization himself, wants to civilize the rest of the world. He believed in forcing American ideas on Mexicans whether they wanted them or not and for some reason, incomprehensible to the American in Mexico, selected Carranza as his instrument.

In private conversation Mr. Lind attributed all the ills of Mexico to the influence of the Catholic Church, and argued that this institution in Mexico must be destroyed. In a conversation with Mr. O'Shaughnessy, on a remark of the latter that he had just received a report to the effect that several Catholic priests had been killed, Mr. Lind stated that this was good news, that the more Catholic priests they killed in Mexico the better it would suit him, and the more pleased the President would be. In Washington, in a conversation that took place during the Pan-American conference, when it was reported that the United States would not recognize Carranza, Mr. Lind exclaimed to the chairman of the International committee of Mexico City, "My God, poor Mexico will fall back into the clutches of the Catholic Church!"

Mr. Lind has been an active propagandist for the Carrancistas since his return from Mexico. I will be glad to give the committee further details if it desires.

The Rev. John R. Silliman, after years of faithful effort in Mexico, became a missionary and dairyman in Saltillo. He had sold milk to Carranza, the governor of the State, and the relation of dairyman and governor persisted throughout the time that Silliman represented the President before Carranza. Just what qualified Mr. Silliman to represent the President in Mexico has been a mystery to Americans who knew Silliman.

He was always a pathetic figure. His very walk was apologetic. While engaged in social intercourse he seemed to fear that Carranza would appear on the scene and rebuke him. When Americans appealed to him for protection and redress he would explain to them that while he sympathized with them he could not mention such matters to Carranza because Carranza would send an adverse report to the President about him and he might lose his job.

Even Mr. David Lawrence, another personal representative of the President, who has since been a very active propagandist for the Carrancistas, was shocked at Silliman's ineptitude. In a report

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to the State Department, sent in 1915 from Vera Cruz, Mr. Lawrence stated that:

The situation here with respect to representation of the United States Government is indescribably aggravating. Our influence is virtually zero. We do not even get our protests or messages before Carranza. Silliman privately told me the situation seemed hopeless. * * * Carranza told me in conversation that Canada was an enemy of his cause, sending bad reports to the Department of State, and that Silliman was all right. Investigation among authoritative and well-informed persons shows Canada has told the truth. Carranza has not granted audience to Silliman in nearly three weeks. Yesterday when Silliman had appointment with Carranza, latter instead went parading with his troops, leaving word that foreign secretary was authorized to take up anything Silliman had. Foreign secretary [Aguilar] is inexperienced boy. Even your most urgent representations are handled in this indirect and fruitless way.

Carranza has taken advantage of his old friendship with Silliman to turn him down repeatedly, and Silliman is not the forceful kind of personality who would insist on an audience in the name of his Government. * * * Silliman has worked faithfully and loyally, but tells me privately he is discouraged and believes our recent strong notes and Latin-American appeals have caused strained relations. * * * He told me the point had been reached where threats of force and strong notes only aggravate Carranza, and that he is not afraid of us, because he is confident we do not dare to intervene. In this connection I offer the following plan for your consideration. First, that new representative be sent here, fully conversant with Government point of view, so that Carranza will understand that this representative is fully supported by the Government at every stage. * * * Irrespective of what our future policy is to be, the situation here would seem to demand that some one be selected who will talk earnestly, forcefully, and insistently to Carranza, and who will not hesitate to inform Carranza whenever occasion arises that his refusal to receive the representative of the United States bearing urgent communications would be considered indication of a desire not to remain on friendly terms with the United States. Canada has gotten results by this method and is respected by Carranza, but is not persona grata now.

Incidentally, you will note in the above telegram, especially where Mr. Lawrence states that Mr. Canada had reported the truth about Carranza to the State Department, that Mr. Lawrence's impression of Carranza was not so very favorable. A few days later, following a banquet to Carranza that he attended, this gentleman had a change of heart, which change has persisted to the present day.

Silliman became so subservient to Carranza that he referred to the Carranza cause as "our cause" and to the Carrancistas as "we."

A ludicrous situation was brought about in a conversation that Silliman had with Mr. Cornelio Gertz, the German consul in Vera Cruz, which was covered in a dispatch to the New York Herald in the fall of 1915, which is in part as follows:

According to passengers arriving here [Galveston], all Vera Cruz is grinning over the story of a recent interview between Mr. Gertz, the German consul, and John R. Silliman, representative of the American State Department near First Chief Carranza. The story was told by Mr. Gertz himself as a good joke on Mr. Silliman, but there are a good many Americans in Vera Cruz who see more cause for sadness than laughter in Mr. Silliman's alleged partiality to the pronoun "we" under such conditions.

The story, as told by Mr. Gertz, is that he called upon Mr. Silliman the other day and asked whether there was any news and whether there was any change in the situation.

"Oh, things are looking very much brighter," said Mr. Silliman; "conditions are improving rapidly. We have taken Leon, we have defeated Villa, and we will soon occupy the City of Mexico."

Mr. Gertz bounced out of his chair, stared hard at Mr. Silliman in utter amazement, and exclaimed explosively:

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"Why, Mr. Silliman, why didn't you tell me that before? I had no idea of such things happening. You should have told me about it so that I could send it to my Government."

Mr. Gertz, of course, thought that in using the pronoun "we" Mr. Silliman was referring to the Americans, instead of which he was referring to the Carrancistas.

The Rev. William Bayard Hale and the Rev. Henry Allen Tupper, two more special representatives of the President, may be referred to briefly. Later, if the committee desires, further information will be furnished. It appears that when the former returned to the States Germany outbid Carranza in securing his services; and, so far as the latter is concerned, it has already been proved in the testimony of Mr. Doheny that he received a check for over $4,000 from the Carranza authorities. We shall present some interesting evidence at a future time, but it will suffice now to say that the Rev. Henry Allen Tupper offered to mention a prominent Mexican favorably in a magazine article for a consideration of ₱1,000 when exchange was 5 to 1. Dr. Tupper developed great business capacity while in Mexico.

Mr. Paul Fuller was an ardent Villista after his return to the United States.

Mr. Carothers, an American of little prominence in Mexico, was appointed by the President as personal representative to Villa, and has since then been an ardent Villista.

Mr. H. L. Hall was another discredited American living in Mexico and was appointed a special representative to Zapata. He is now and has been for several years a Zapatista propagandist.

Mr. Duval West, of San Antonio, Tex., came back and reported the truth about conditions in Mexico and his services were soon dispensed with by the American Government.

The policy of using the paid representatives of the Carranza revolutionary junta to represent the American Government also aroused the indignation of Americans in Mexico. Unscrupulous Americans who were betraying the interests of their own people for money were being daily consulted and employed by the American Government.

Judge Charles A. Douglas, the representative in Washington of the Carranza Government, told me some time ago that during his stay in Vera Cruz during the time that Carranza had his revolutionary Government there Silliman always showed him Mr. Bryan's notes before taking them to Carranza; that on one occasion he actually saved the United States from a foreign war; that Mr. Bryan had sent a note to Silliman for delivery to Carranza which, because of Mr. Bryan's ignorance of Mexican sensibilities, would have immediately provoked war and that when Mr. Silliman, in the regular course of his duties apparently, showed this note to Douglas the latter told him immediately not to present it until after he, Douglas, had consulted with Bryan. Judge Douglas stated that after he had explained matters to Mr. Bryan the latter instructed Silliman not to present the note and that later Mr. Bryan personally thanked him for his thoughtful interposition. Mr. Bryan's great confidence in Judge Douglas is exemplified in an official letter of introduction which he gave Judge Douglas to the American consul at Vera Cruz, Mr. William A. Canada, on February 16, 1916, a photograph of which letter I am leaving with the committee, and a copy of which is as follows:

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MY DEAR MR. CANADA: This will introduce to you Judge Charles A. Douglass, of this city, the local attorney for the Carranza representative in this city. He is visiting Gen. Carranza and I am glad to make you acquainted with him. If, while he is there, we have any matters to take up with Gen. Carranza he will be willing, as he is anxious, to assist in smoothing out difficulties. I commend him to your confidence and courtesy.

After the Brazilian minister, who had been placed in charge of American affairs on the departure of Mr. O'Shaughnessy, was practically expelled from Mexico by the Carrancistas, the lives of the Americans in Mexico—two or three thousand—and the billion dollars of American property, were left in charge of first one clerk and then another for a period of over a year, at the most crucial time in the relations of the two Governments and when American lives and property were most in need of protection. These clerks were young men, all from 22 to 30 years of age, who were not trained diplomats, had no experience in diplomatic affairs and had not the slightest conception of the meaning of international law. These inexperienced clerks were called upon to measure their wits with brilliant radicals like Luis Cabrera. It is no wonder that the Mexican revolutionaires put through their scheme for the confiscation of American property and the elimination of American citizens from Mexico, when during the course of the constitutional convention lasting for several months, in which these anti-American provisions were being discussed, the interests of the United States were so represented. The American Ambassador, Mr. Fletcher, was held in Washington for over a year at this critical period, and was finally hurried to Mexico with a protest against the passage of the constitution, with the result that the convention hurried up its final vote on the instrument and adopted it within a few days after Mr. Fletcher's arrival.

Mr. KEARFUL. You have heretofore made a statement with reference to Carranza's revolutionary program. What have you to say with reference to the fulfillment of that program?

Mr. BUCKLEY. Everybody knows, of course, that the Carranza Government is a military depotism. It would be a waste of your time to submit the proofs of this. I will merely refer to a few incidents.

In the first place, in the proclamation issued by Carranza ordering elections for Congress and President in 1916, he excluded from the right to vote all citizens who were not revolutionaries.

Section 4 of article 8 of the call provided that those could vote "who were citizens or residents of the respective State at the time of the uprising of Huerta against Madero, provided that they later demonstrated, with positive acts, their adhesion to the constitutionalist cause"—that is, by taking up arms.

State elections have been a farce, and invariably Carranza has placed in power his own choice for governor.

In the State of Tamaulipas Gen. Luis Caballero was overwhelmingly elected over Gen. Lopez de Lara, the choice of Carranza, whereupon Carranza declared the elections void with the result that Caballero rebelled and was driven out of the State and Carranza appointed a military governor.

In Tabasco the elections were held four or five months ago, the opposing candidates being Gen. Green and Gen. Luis F. Domingues.

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Green is said to have had the support of the former governor, Gen. Carlos A. Vidal. Assassinations, riots, and political persecutions resulted from the election. The State had, and probably has now, two governors and two legislatures. Gen. Bertani, chief of the Federal forces of the State, was compelled to disarm troops thought to favor one or the other of the contending parties.

In San Luis Potosi elections for governor were held on July 6 of this year. The opposing parties were Rafael Nieto, former subsecretary of the treasury under Carranza, and Ingeniero Severino Martinez. The campaign was bitter and full of clashes between the partisans. Gen. Juan Barragan, chief of staff of Carranza and acting governor of the State, supported Martinez. Wholesale frauds at the polls were charged by both sides. Federal troops are alleged to have taken charge of the polls in some parts of the State. Nieto declared that his life was in danger and went from place to place accompanied by an armed escort. The Martinez legislature declared Martinez to be elected governor, and the Nieto legislature declared Nieto to be elected governor. For a time there were two legislatures, but the Nieto legislature was arrested and that gave Martinez a clear field. Nieto, however, still claims to be governor.

In Nuevo Leon State elections were held last June. Juan Manuel Garcia, a progressive civilian, was elected. He received many times the number of votes of his nearest opponent. The candidates opposing Garcia were Gen. Mariano Gonzalez, Gen. José Santos, and Gen. Pablo A. de la Garza. Gen. Barragan, the same chief of staff of the President, proceeded to Monterrey with troops and had Gen. Santos declared elected.

In Nayarit in the early summer the State legislature, with the assistance of the military commander of the State, ousted the governor. The Federal Senate, in a resolution passed October 23, 1919, attempted to reinstate the governor, José S. Godivez. Now the State legislature declares that it does not intend to recognize this decision of the Senate.

In many cases opponents have been executed after the writ of amparo, a measure corresponding to our writ of habeas corpus, had been ignored by the military authorities. It will be recalled that I stated that it was reported that during the administration of Madero, Carranza had appealed to a member of Madero's cabinet, Alberto Garcia Granados, to join him in a revolution, which the latter declined to do. As soon as the Carranza forces reached Mexico City troops were rushed out to search and loot Granados's home. Garcia Granados was a high-class Liberal, who had opposed Diaz for many years and who had been repeatedly imprisoned by the latter but who was never involved in any revolts. Granados was tried by a court-martial, which absolved him; nevertheless the military commander of Mexico City, Gen. Pablo Gonzalez, arbitrarily set aside the verdict of the court-martial and Garcia Granados was executed at once.

In April of this year Gen. Francisco de P. Alvarez was captured by the Carrancistas, tried for treason and condemned to death by the military judge. Alvarez asked for amparo, and the federal judge at Vera Cruz ordered the provisional suspension of execution pending investigation and definite decision by the judge. This would have been sufficient to stay execution under Mexican law, but Al-

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varez's attorney appealed also to the supreme court at Mexico City, which repeated the orders given by the local judge and communicated the same directly to the council of war, to the local judge, and also to the President of the Republic. Notwithstanding this, Gen. Alvarez was executed. Shortly after an election of supreme court judges was held and the justices, Victoriano Piemental, Manuel Cruz, Santiago Martinez, Agapito Colunga, and Agustin del Valle, who, in the Alvarez case and in many other cases had assumed an independent position, were not reelected. The new court obeys implicitly the orders of Gen. Carranza.

During the first part of October of this year the police found a store of arms and ammunition in Tacuba, a suburb of Mexico City, with the result that an ex-federal general, Leopoldo Diaz Cevallos, was arrested and delivered to Gen. Pablo Gonzalez and taken to a small town near Cuautla in the State of Morelos, where he was ex-executed one night without trial. Within the last few days the judge at Tacuba has decided that Gen. Diaz Cevallos and other supposed accomplices were innocent.

According to "La Prensa," of Antonio, Tex., the federal judge at Juarez decided to suspend the execution of Gen. Angeles. As a matter of Mexican law a federal judge has no discretion in such matters and must always grant a temporary stay of execution when applied for pending examination of the evidence.

The same paper states that the supreme court in Mexico City also ordered suspension of the execution which, however, was delayed and did not reach the military court until after the execution. Fourteen hours intervened between the decision of the court and the execution of Gen. Angeles, more than sufficient time for a telegram to have reached Chihuahua.

In the address that Carranza's minister of justice, Rogue Estrada, made to the judges of the supreme court of the federal district of Mexico on October 5, 1915, he advised them to carry out the revolutionary program and discard all law. Among other things, he said:

> The revolution, become government, places in your hands its greatest aspiration, justice, and this justice, such as it undoubtedly should become in these times, is disowning the decisions and annulling the judicial acts of Huerta and the convention. You will say to me the articles are to be found in a concentrated form in a book called the law, but I say to you that we are repudiating everything done up to this time, wherefore there are neither laws nor decrees that dispose that which shall be done.
>
> It is necessary to be filled with a spirit entirely revolutionary in order that the administration of justice may respond to the aspiration of the revolution become government.
>
> I hope from the magistrates composing the Supreme Court of Justice that with good judgment and strict justice they will know how to give their decisions, interpreting clearly the ideals and plans of the revolution become government.

Mr. KEARFUL. What in your opinion has been the effect of our Mexican policy on the people of South and Central America?

Mr. BUCKLEY. The attitude of Latin America toward our Mexican policy has been referred to in the discussion of the Niagara and Pan American conferences. As stated before in this connection, the American Government has disregarded the history of the last 100 years, which shows that up to the present time Latin-American countries

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may only be ruled successfully by their educated classes, and that the mass of the people are not yet prepared to exercise the attributes of democracy. The American Government has insisted on upsetting the natural status in Mexico, and by so doing, with the implication of similar conduct in other Latin American countries, has alarmed those governments. The following are some of the effects of our Mexican policy in Latin American countries:

First. It constitutes evidence of our intention, so they think, of a reversal of our duties and obligations under international law and indicates our intention of interfering in the local affairs of those countries.

Second. The substitution of Pan Americanism for the Monroe doctrine. It has heretofore been the practice of the American Government to make its decisions alone and unaided with regard to its relations with Latin American countries. Everybody understands, except possibly the Hon. John Barrett, the loquacious director of the Pan-American Union, that there is a community of interest in Latin America opposed to the United States, and that no Latin American diplomat could be relied upon to be impartial in differences arising between the United States and Mexico.

This new departure in policy was forecast in the action of the American Government in entrusting American affairs in Mexico to the Brazilian minister after Mr. O'Shaughnessy was given his passports by the Huerta Government. Although Mr. O'Shaughnessy had left American affairs in charge of the British minister, because of a certain recognized community of interest and ideals between the Americans and the British, the American Government directed that the Brazilian minister take charge of American affairs, thinking, no doubt, that this was an admirable diplomatic stroke. While the Brazilian minister was most solicitous in his regard for the rights of Americans, and all Americans in Mexico remember him with gratitude, nevertheless it was impossible for him to deal with Americans without developing friction, for the very simple reason that there is a fundamental difference in character between the Latin American and the American that can never be reconciled—a difference in their ideas of government which should be recognized and reckoned with in any intelligent policy.

The impression has been produced among the Latin Americans that Latin America, and not the United States, will in the future regulate affairs on this continent. The conduct of our Government has been construed by these countries as a renunciation of the Monroe doctrine, and a substitution therefor of the Pan-American doctrine in which the Latins will have 20 or 30 votes to 1 of the United States. It has heretofore been maintained that the Monroe doctrine is a doctrine enunciated by the United States for the protection of the United States, to be enforced by the United States. There is evidence, however, that things have changed. In the President's address to Mexican editors delivered at the White House on June 7, 1918, he made some important statements with regard to our traditional policy which have been taken very seriously by Mexico and to which great importance has been attached by Mexicans and other Latin-Americans. While it is true that the statement in the beginning of the address that "My own policy, and the

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policy of my administration toward Mexico was at every point based upon this principle—that the internal settlement of the affairs of Mexico was none of our business; that we had no right to interfere with or to dictate to Mexico in any particular with regard to her own affairs," is so cynical in its utter disregard of the facts as to cast discredit on what is said in the rest of the address, nevertheless this address is taken seriously by those who desire to profit by it.

After stating that "Some of us, if I may say so privately, look back with regret upon some of the more ancient relations that we have had with Mexico long before our generation; and America, if I may so express it, would now feel ashamed to take advantage of a neighbor," the President goes on to say:

> Some time ago, as you probably all know, I proposed a sort of Pan American agreement. I had perceived that one of the difficulties of our relationship with Latin America was this. The famous Monroe doctrine was adopted without your consent, without the consent of any of the Central or South American States. If I may express it in terms that we so often use in this country, we said, "We are going to be your big brother, whether you want us to be or not." We did not ask whether it was agreeable to you that we should be your big brother. We said we were going to be. Now, that was all very well so far as protecting you from aggression from the other side of the water was concerned, but there was nothing in it that protected you from aggression from us, and I have repeatedly seen the uneasy feeling on the part of representatives of the States of Central and South America that our self-appointed protection might be for our own benefit and for our own interest and not for the interest of our neighbors. So, said I, "Very well, let us make an arrangement by which we will give bond. Let us have a common guaranty, that all of us will sign, of political independence and territorial integrity. Let us agree that if any one of us, the United States included, violates the political independence or the territorial integrity of any of the others, all the others will jump on her." I pointed out to some of the gentlemen who were less inclined to enter into this arrangement than others that that was in effect giving bond on the part of the United States that we would enter into an arrangement by which you would be protected from us.

That Carranza was quick to perceive the point is evident by what he stated in his message to the Mexican Congress on September 1, of this year:

> As the question of the acceptance of the Monroe doctrine was taken up at the Paris peace conference, the Government of Mexico found it advisable publicly to declare and officially to inform friendly Governments that Mexico had not and would not recognize that doctrine, because, without the consent of all the peoples of America, it established a criterion and a situation about which they have not been consulted; and therefore that doctrine attacks the sovereignty and independence of Mexico and would establish an enforced tutelage over all the nations of America.

It will be noted that in refering to the "consent of all the peoples of America," Carranza uses almost identically the same language as President Wilson.

Third. The encouragement of legislation in Latin America against American investments and the adoption of the so-called "Carranza doctrine." This doctrine, which maintains that a foreigner may not invoke the diplomatic intervention of his own Government, forms the basis of the Carranza foreign policy, and was the basis of his treatment of the foreigner both in executive decrees while he was still a revolutionary chief and in the constitution itself. In the latter instrument it is provided that, before a foreigner may acquire real estate, oil, or mineral rights, he shall specifically renounce the right to appeal to his own Government, and that a mere exercise of this

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right shall result in the forfeiture of his property to the Mexican Government.

The message to the Mexican Congress just quoted also stated that:

> This Government, for its part, has not made nor will it make any effort to enter this international society (league of nations) because it is not based, either in its organization or its functioning, upon the complete equality of all nations and all races, the Mexican Government having proclaimed as a prime principle of its international policy that all nations of the globe should have equal rights and obligations, as well as that no individual within the State may invoke privileged position or protection because of his status as a foreigner or for any other reason.

In other words, the Carranza doctrine maintains that Mexico, or any other Latin American country, may confiscate the property of an American without his right to appeal to his Government; that is, may confiscate with impunity. The very enunciation of such a doctrine is inspired by the intention to confiscate.

Carranza has been very active in his efforts to form a Latin-American union opposed to the United States, and has advocated the same in public addresses and through his diplomatic representatives and many special emissaries in South and Central America. To further his purpose Carranza has gone to the extent of giving aid to the revolutions in Honduras and Guatemala—at a time when his own Government was not fully established—with the object of overthrowing the Governments of these countries, which he regarded as being friendly to the United States, and, consequently, as constituting an obstacle to the carrying out of his policy. He went so far as to equip a military expedition in Mexico and dispatch it to Guatemala for the overthrow of that Government.

His Government has sent broadcast throughout Latin-American countries that portion of the constitution imposing restrictions on foreigners and copies of his proposed laws for carrying into effect the confiscation of American oil properties. The result has been that several Latin-American countries, notably Colombia, have followed Carranza's advice and example, in view of the impunity with which his program has been carried out, and have adopted similar legislation against Americans.

Fourth. Probably the most lasting effect of our relations with Mexico and Latin America is the creation of distrust of the honesty of our Government. The splendid insight into our Mexican policy afforded to Latin Americans in the Niagara and the Pan-American conferences, where the American Government violated its pledged word, deceived its own people, and tried to deceive the Latin-American diplomats, would hardly have a very beneficial effect on our Latin-American relations.

A Latin American publicist has agreed to appear before the committee and give an authoritative statement regarding the attitude of Latin Americans toward the Mexican policy of the American Government.

Mr. KEARFUL. What have you found to be the effect of our Mexican policy on Carranza himself?

Mr. BUCKLEY. Carranza and his followers distrust and hate the American Government and the American people.

The intervention of the American Government in the internal affairs of Mexico started with the dispatch of Lind to Mexico, in

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August, 1913, and has continued to the present time. The American Government has insisted that that unfortunate country be ruled by bandits; it placed the bandits in power by destroying Huerta, and it has maintained them in power ever since. To do this, it has been compelled to tolerate the expulsion of the educated classes from Mexico; the practical starvation of the Mexican people for the last seven years; an attack on religion; the confiscation of foreign property, and the murder of hundreds of foreigners, mostly Americans. To hide the results of its policy from the American people, it has not scrupled to use all the powers of a strong government.

Our Mexican policy is disapproved of by the educated classes in Mexico; the common people hate and distrust the United States as a tyrant that has forced the Carrancistas on them; Americans and all other foreigners in Mexico have always opposed this policy; Latin American countries oppose it, and there is nothing to indicate that it is approved by any European government. One would think, then, that surely the Carrancistas must be our friends; as a matter of fact, they are the most bitter enemies of the American Government and people.

It would be without purpose to examine the President's addresses and papers, where he has insisted at one time that the American Government was intervening, and at other times, notably, in the Indianapolis speech, when conditions in Mexico were very bad, that the Government was not intervening.

In the interview published in the Saturday Evening Post on May 23, 1914, the President said:

> The settlement of the agrarian question by constitutional means—such as that followed in New Zealand, for example—will be insisted on.

The question arises in one's mind, By what authority can the President insist on the solution of this question? The President goes on to say:

> Every phase of the Mexican situation is based on the condition that those in de facto control of the Government must be relieved of that control before Mexico can realize her manifest destiny.

Later the President states:

> Then came the incident at Tampico. Rear Admiral Mayo, resenting the insult to the flag, issued his demand for an apology, and the President and his Cabinet stepped in behind the admiral.
>
> Really it was the psychological moment, if that phrase is not too trite to be used. There was no great disaster like the sinking of the *Maine*, and there was an adequate reason for our action in this culminating insult to a series of insults to our country and our flag.

The psychological moment—that is, the excuse, to intervene!

In a communication to Mr. O'Shaughnessy sent by Mr. Bryan on the 13th of November, 1913, after the Lind mission had failed, and when the American Government had ceased quarreling with Huerta, Mr. Bryan instructed Mr. O'Shaughnessy to communicate "the following to Gen. Huerta immediately, as the conditions on which negotiations will be resumed: First, the explicit agreement of Gen. Huerta: (1) That the Congress called for to-morrow shall not assemble; and (2) that Gen. Huerta will absolutely eliminate himself from the situation immediately upon the constitution of an ad interim government acceptable to the United States." What is this if not intervention?

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In a report submitted by Mr. O'Shaughnessey to the Department of State in February, 1914, Mr. O'Shaughnessy states that, in a conversation that he had just had with Huerta, the latter—

did not criticize the rebels of the north, but said they would never, in the event of their triumph, be able to establish a government in Mexico, and that one of their first acts, if they ever did triumph, would be to turn upon the United States, whom they are now praising.

This was indeed prophetic.

Evidence of the feeling of the Mexican people as to the responsibility of the United States is contained in a dispatch dated Mexico City, June 30, 1915, by the Brazilian minister, at a time when the Zapatistas were in control of Mexico City and this city was being attacked by the Carrancistas. Referring to conditions, the Brazilian minister said:

The prospects for foreigners and noncombatants are therefore dreadful; to begin with, there is no more corn and great scarcity of all other staple articles in town, which has already caused great suffering among all classes and popular disturbances even against this legation, as it was falsely reported that we had plenty of food in deposit. The movement was readily suppressed by the authorities, but I am sorry to be obliged to say that the general animosity against the United States Government is growing very much because everybody blames the United States for the present state of things; first, for having apparently satisfied themselves so far as they are concerned, with a purely negative answer from Carranza, when two of the other factions were disposed to enter into negotiations; and secondly, for not having impressed upon him the absolute necessity of arranging for an armistice in the course of which the United States should have used its good offices for the conclusion of peaceful settlement. This being the case, and following the insistent advice of several friends, American and Mexican, including that of high officers of the commission, and also on account of anonymous letters containing tremendous threats, was obliged to increase our American guard to 8 men; I will increase to 12, as before, if necessary.

To be just, I desire to emphasize the good will of the authorities [Zapatistas] to prevent any disagreeable incidents, but do not know how far they will be able to afford the necessary protection, as I am informed that if the Carrancistas should gain ground toward the occupation of the city, the legations and foreigners, especially Americans, will run great risk from the outrages of the mob and soldiery who, perhaps, will not be controlled during the disorder that will precede the evacuation, as, I repeat, the bad feeling goes to the absurd point of believing that the Carrancistas come this time under the auspices of the United States. I beg pardon if in my desire to be loyal and give you the exact and truthful account of the situation and of the general feeling here, I have shown the unhappy faculty of being too frank and disagreeable.

Carranza began early in his insults to the United States. Shortly after his revolution started, when he had but a small amount of territory at his command, and very precarious hold on power, he refused to discuss matters with the President's personal representative, the Rev. William Bayard Hale, on the ground that Hale must present credentials from the American Government, which he hoped would constitute recognition. After he had been driven out of Mexico City the first time and had taken refuge in the lighthouse in Vera Cruz, in reply to a warning from Secretary Bryan that in the fighting at Naco, Sonora, in which American citizens in Arizona were being killed, the American Government might find it necessary to use force, adding "that the employment of force would not be an aggression, but a defense; that the invasion of the territory of Mexico would not be intended to be an interference with its sovereignty nor

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an intervention with your strife," Carranza had the effrontery to state:

I hasten to call the attention of the Department of State to the fact that any use whatever of force which the Government of the United States might attempt to make on Mexican territory, although with the object of protecting the lives of Americans, would have to be considered by this Government as an act of hostility and as an attack against the sovereignty of Mexico, independently of the pacific or well-disposed intentions that might cover the employment of force. * * *

I should like to find words sufficiently courteous and friendly and at the same time sufficiently expressive to state to you that the Department of State does not appreciate to the fullest extent the seriousness which the use of force on Mexican territory by Americans would entail, and hence I appeal to the good friendship of the American people toward the Mexican people, earnestly insisting that the Department of State strive that under no circumstances should acts of force be employed against us.

In other words, if the American Government were to protect its own citizens in its own country from death by Carranza bandits he, Carranza, might find himself in the painful necessity of actually making war on this country.

The vaccilating policy of the American Government is well exemplified by its policy in placing embargoes on arms and ammunition and then removing them, to the exasperation even of the Carranza Government.

The following data is based on a speech made in the House of Representatives by Congressman Rogers on July 29, 1916:

In the President's address to Congress held August 27, 1913, he says, "For the rest, I deem it my duty to exercise the authority conferred upon me by the law of March 14, 1912, to see to it that neither side to the struggle now going on in Mexico receives any assistance from this side of the border. I shall follow the best practice of nations in the matter of neutrality by forbidding the exportation of arms or munitions of war of any kind from the United States to any part of the Republic of Mexico, a policy suggested by several interesting precedents, and certainly dictated by manifest considerations of practical expediency. We can not in the circumstances be the partisans of either party to the contest that now distracts Mexico, or constitute ourselves the virtual umpire between them."

On February 3, 1914, President Wilson revoked the Taft proclamation of March 14, 1912, in order to enable the rebels to receive munitions of war, and "thereby constituted himself a virtual umpire between the factions."

On April 24, 1914, the President again placed an embargo on the shipment of arms and ammunition to Mexico.

On May 16, 1914, the embargo was raised in so far as to permit shipments by sea. This was for the purpose of shipping arms and ammunition to the rebels, who by that time had possession of the port of Tampico.

On June 4, 1914, Mr. Bryan stated to the newspapers that the mediators had an understanding with the United States that, pending their efforts at Niagara Falls, the United States would permit no arms to be shipped into Mexico either across the border or by water from American ports. We have seen in connection with the Niagara conference how ill the American Government fulfilled this understanding.

On June 2 the steamship *Antilla* left New York for Tampico containing some 3,000,000 cartridges.

On June 6 another million cartridges were shipped on the steamship *Sunshine* from Galveston to Tampico.

On June 10 the United States again imposed an absolute embargo by sea and land.

Thereafter, however, the schooners *Sunshine*, *Grampus*, and *Susan* made six trips from Galveston to Tampico, each time carrying heavy shipments of war materials. All were consigned to Habana, but "by stress of weather they were blown into Tampico."

On September 10, 1914, the embargo was lifted.

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On October 20, 1915, the embargo was again declared, which, however, was not made applicable to Carranza, who was recognized on October 19.

On March 12, 1916, all permits held along the border for exporting explosive into Mexico were canceled.

Since this time permits for the exportation of arms and ammunition have been given and declined so many times that it makes one dizzy even to go into the matter.

The effect of the policy of the American Government on the revolutionists in Mexico is illustrated in a speech made by Soto y Gama, the intellectual head of the Zapatista movement, at a secret session of the convention held in Mexico City on June 5, 1915, during which one of Mr. Wilson's many ultimatums was discussed. Soto y Gama stated:

We should not get scared at this ridiculous and childish note, which, like all that Wilson does, is nothing but words, words, words. I do not pretend to be a fortune teller or prophet in international politics, but at this time, when the whole world is shaking, in which the perfidy of the English in its ambition to dominate the seas are uniting as many as possible to obtain their ambition, in the most formidable war that human eyes have witnessed, the United States must be on guard, because sooner or later they will be dragged into war with Japan.

For this reason, Wilson, even should he so desire, will never intervene in Mexico * * *.

I do hope the Yanquis will intervene in Mexico. It would spell their ruin; it would be the undoing of the conglomeration of adventures called the United States. They would lose the Philippines, the Panama Canal, Hawaiian Islands, Puerto Rico, and possibly San Francisco, Los Angeles, and Florida. * * *

On studying the matter carefully we will see that the United States can not come to Mexico, as before their disorganized troops had landed in Orizaba. San Francisco, Calif., the defenses of the Panama Canal, and their shining Babylon which they called New York would be swept by the deadly fire of the Japanese, English, and French navies.

Let us teach Wilson a lesson by not paying any attention to the matter for the time being. We are tired of humbly obeying the instructions of the White House. Let us not imitate Diaz, Mariscal, Madero, Calero, and Lascurain. We should allow several days to pass before answering the American note. Then Mr. Wilson will see how much attention we pay to his rash notes.

However, it is not necessary to present collateral evidence to substantiate the opinion which the Carrancistas held and hold of the American Government and the American President, for we have their opinion in their own words in the interview published by Gregory Mason in the *Outlook* in 1916.

In answer to the question, "Do you approve of President Wilson's policy in Mexico, and, if not, what do you consider have been its principal mistakes?" Gen. Pablo Gonzales replied: "I do not approve Wilson's policy in general for a reason which is fundamental with me as I believe it is with every honest man, namely, Wilson's policy is not clear; it is not frank; it is not clean. I can not reconcile the Pershing expedition with the bombastic and oft-repeated declarations of President Wilson of his respect and sympathy for Mexico. I wish that President Wilson would be our friend and give proof of his friendship with deeds, or that he would be our enemy and declare open war on us. But he ought not to exasperate us with his policy of double-dealing, overwhelming us on the one hand with honeyed words and protestations of sympathy, and on the other hand protecting our enemies and obstructing the consolidation of our Government. What I have just said points out the greatest error in Mr. Wilson's policy, and, I will repeat, indicates his lack of clearness and frankness."

In answer to the correspondent's question as to what could be expected from the election of Hughes, Gen. Gonzales stated: "I can say that in case the imperialistic reputation of the Republican Party should be confirmed I should prefer frank aggression from Mr. Hughes to the doubtful friendship of Mr. Wilson."

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Gen. Alvaro Obregon stated that: "The greatest failing of President Wilson is that his acts so seldom coincide with his words. Wilson makes too many declarations which have no facts behind them; you need not examine his Mexican policy for a substantiation of this; just look at the record of his dealings with Germany."

Gen. Candido Aguilar, minister of foreign relations, stated: "The Mexican people are grateful to President Wilson for understanding as President Taft did not, that the revolution in Mexico is a genuine social movement. They are grateful to Wilson for his intelligence and his courage in refusing to recognize Huerta. But they feel that Wilson's policy has at times been marked by vacillation and double dealing, or at least, that his words and his deeds have not always been reconcilable with each other. What Mexico wants from the American President, whatever his name may be, is a policy that is firm, frank, consistent, and constructive. Mexico would even prefer open and honest hostility to false friendship.

"Wilson's policy has made Mexico feel like a man at whom is pointed a loaded and cocked pistol and who is kept in this uncomfortable and uncertain position for a long and nerve-racking period. If the trigger is to be pulled the man would prefer to have it done at once, so that the worst would be over quickly. But naturally, he would prefer to have his enemy put away the gun and become an honest friend."

President Venustiano Carranza, after praising President Wilson for not recognizing Huerta, went on to say:

"But lately, we have had to complain of very serious interference in our affairs by your Government. We consider the invasion of our country by the forces of Gen. Pershing very wrong and very unfair. We would not have complained much if the American Army had made a quick dash across the border and then withdrawn. But maintaining the expedition in Mexico, like a thorn in our side, is very unjust and has hurt our Government.

"We can not make such acts of your President accord with his words of sympathy for us. It is this inconsistent policy from your Government which is responsible for the disfavor in which Americans find themselves held in Mexico to-day. It seems to us that your President has not kept faith with Mexico.

"Can the remarks of Gen. Gonzales in criticism of President Wilson be considered as official?" the First Chief was asked.

"No," was the reply, "Gen. Gonzales's remarks were very interesting, but he spoke only for himself. Nevertheless we would prefer a firm, frank, consistent policy from the United States to such a policy as Wilson's. But, as I have said before, we are grateful to Wilson for understanding that this is a social revolution, and for the sympathy which he expressed in his stand against Huerta. And we believe that your republican Presidents are sometimes inclined to be too overbearing toward weaker nations. On the other hand, their foreign policies usually have the virtue of consistency. What we would like from the next American President, whatever his name may be, is a Mexican policy which will combine sympathy with firmness and consistency."

Mr. KEARFUL. Are you prepared to make a statement with reference to the Carranza constitution of 1917? If so, proceed.

Mr. BUCKLEY. Yes, sir. The vital elements in the constitution are its effect on real property and its effect on foreigners.

Property in Mexico had the security that it enjoyed in the United States, France, and England; it enjoyed this security in Mexico in practice until 1910 and in theory until 1917.

Since the constitution of 1857 provided for its amendment by an affirmative vote of two-thirds of Congress and a majority of the State legislatures, which could not have been effected without the consent of the people, and since the revolutionary leaders did not have the sympathy of the Mexican people, they decided to write a new constitution without reference to the constitution of 1857.

The constitution of 1857 referred briefly to property in Article 27, as follows:

Private property shall not be taken without the consent of the owner, except for reasons of public utility, indemnification having been previously made; the

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law shall determine the authority to make the expropriation and the conditions under which it shall be carried out * * *.

It was necessary that the revolutionary leaders write a constitution which would not only provide for the confiscation of property, but would provide for it in such a way as to make their intention plain, and render the process brief and effective. This was admirably accomplished.

Article 27 of the new constitution of 1917 is a treatise which entirely changed the basis of property in Mexico. It provides at the beginning:

The property of land and waters comprised within the limits of the national territory corresponds originally to the nation, which has had and now has the right to transmit the same to individuals, thus constituting private property. * * * The nation shall have the right at all times to impose on private property the modifications (modalidades) dictated by public interest, as also to regulate the use of the natural elements susceptible of appropriation in order to make an equitable division of the public resources and provide for their conservation.

The constitution then proceeds to establish three bases on which private property might be destroyed by the executive and legislative authorities:

1. "To this end"—to impose modifications on private property, dictated by public interest—

the necessary measures shall be enacted (1) for the subdivision of large landed properties; (2) for the development of small properties; (3) for the creation of new centers of agricultural population * * *; (4) for the encouragement of agriculture; (5) for preventing the destruction of natural resources; and (6) to prevent damage to property to the prejudice of society.

2. Although the above provision would be sufficient to destroy the security of private property, another is incorporated which is even more effective, if possible. Article 27 further provides that private property "may not be expropriated except for reasons of public utility and by payment of its price," and then renders ineffective the guaranties implied in the two component elements of this clause—public utility and indemnification. The subsequent provisions with regard to public utility are that "the legislatures of the Federation and of the States, in their respective jurisdictions, shall determine the cases in which the occupation of private property is a public utility, and in accordance with said laws the administrative authorities shall make a corresponding declaration," and that the indemnification shall consist of the value at which the property is rendered for purposes of taxation, plus 10 per cent. The latter is usually between 5 and 15 per cent of the real value of the property. In other words, the State legislature may enact a law providing for expropriation under any pretext or for any reason that it sees fit, and this is final; there can be no possible appeal.

3. As if the two provisions above mentioned were not sufficient, it is further stipulated that the congress of the union and the legislatures of the States are empowered to enact laws for the division of large properties, in which shall be fixed the maximum amount of land that one person or corporation may own and the manner of the expropriation and sale of all land in excess of this area.

Provision is then made authorizing the executive and legislative authorities to carry into effect the above clauses, depriving victims of the protection of the Federal courts under the writ of amparo,

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and providing for payment of property in 20 annual installments without security other than worthless state bonds.

After providing the reasons that would justify confiscation the constitution then proceeds to declare void and voidable certain classes of existing titles:

1. Towns, settlements and communities may be given adjoining land, and confiscation made by military authorities for this purpose under the revolutionary decree of January 6, 1915, are approved.

2. It declares null and void all "acts, dispositions, resolutions, and operations connected with the subdivision of land and which may have deprived ranches, towns, congregations, tribes, and other corporations still existing of land since the law of June 25, 1856." This provision of the Constitution affects the title of millions of acres of land, and it will be noticed that all such titles are declared null whether acquired in good or bad faith or with or without consideration.

3. The Executive is then empowered to declare void all contracts and concessions since 1876, having for their object the alienation of real property, including oil and mineral rights, by the Federal Government. No trial is provided for; there can be no appeal; the decision of the Executive is final. In other words, property rights are destroyed in Mexico.

On April 30, 1918, the British Government protested to the Mexican Government against the confiscation of the oil properties of British subjects provided for in the Constitution; and in its reply of August 12 of the same year the Government stated the new theory of property in Mexico in the following words:

> If the provisions of the decree are openly made against the laws and in violation of contracts previously made, according to the concept of his British Majesty, such could not rationally constitute an obstacle to the free development of Mexican property; and this development can demand, as has happened, certain changes of legislation beneficial to the country. This is evident when it is considered that the modern concept of property is that it is a social function bound closely to the prosperity of the State.

This "modern concept of property" as "a social function" has found expression in Carranza's Mexico and Trotski's Russia.

The confiscation of oil properties is also provided for in the constitution of 1917.

The other interesting effect of the new constitution relates to foreigners. The expulsion of the Americans in Mexico has always been known to the initiated as one of the prime objects of the revolution; we say Americans, although the constitution provides the same treatment for all foreigners, because the framers of the constitution really had the American in mind. Carranza has never deviated from his program in this respect in the slightest degree, and he regards himself as a patriotic Mexican who is stemming the tide of American influence in Mexico which he is convinced will eventually absorb his country.

At the beginning of the revolution foreigners in Mexico enjoyed all of the rights that Mexicans do. Article 33 of the constitution of 1857 stipulated that "foreigners have the right to the guaranties provided in section 1, title 1, of the present constitution" [the right to life and liberty], and article 30 of the "ley de extranjeria" [law regarding foreigners], which was issued

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under authority of this article and as supplemental thereto, provides that "foreigners enjoy in this Republic civil rights that Mexicans possess."

In consequence, since 1857 the foreigner has enjoyed all the rights in Mexico of a Mexican citizen, with the exception of the right of participating in the political activities of the country, and has been subject to the same obligations as the Mexican, with the exception of those duties derived from political rights, such as military service.

Article 27 of the new constitution provides that the right to acquire the property of the lands and waters of the nation shall be regulated by the following prescriptions:

> Only Mexicans by birth or naturalization and Mexican corporations have the right to acquire the property of lands and waters and their accessions, or to obtain concessions for the exploitation of mines, waters, or combustible minerals in the Republic of Mexico. The State may concede the same right to foreigners *provided they agree before the Department of Foreign Affairs to be regarded as Mexicans with respect to said property and not to invoke, in consequence, the protection of their Government with regard to the same, under the penalty in the event that they should not comply with such undertaking, of forfeiture to the nation of the property which they may have acquired by virtue thereof.*

The waiver referred to, which is based on the Carranza doctrine, is as follows:

> The purchaser shall always be regarded as a Mexican; he shall always subject himself to the laws of Mexico and he shall not enjoy other rights or other privileges than those corresponding to Mexicans. He may not, in consequence, ask or solicit diplomatic intervention in the interpretation of this contract nor the intervention of foreign diplomatic agents in matters relating to the same, the Mexican tribunals being the only ones having jurisdiction to resolve the differences that may arise in this respect.

In order that Americans might not evade this provision and acquire real estate by organizing corporations, the same article, under another section, provides that "Commercial stock companies may not acquire, possess, or administer rural properties." In addition, foreigners are absolutely prohibited from acquiring real estate within 62 miles of the border or within 31 miles of the coast.

In addition, article 33 of the new constitution confers on the President of Mexico the "exclusive right to compel any foreigner whose presence he may deem undesirable to abandon national territory immediately, and without the necessity of previous trial." This provision of the constitution adopted by the Government recognized by the United States has enabled Carranza to expel from Mexico not only Americans whose property it was desired to confiscate but Americans who reported the truth about conditions in Mexico to the press, or even in confidential communications to their own Government.

In addition to confiscating the church property not already in the hands of the Government, the constitution provides in article 130 that "In order to exercise in Mexico the ministry of any denomination, it is necessary to be a Mexican by birth." In other words, no foreign priest or missionary may legally remain in that country.

This article further provides that "Ministers may not in public reunions or private gatherings * * * make criticism of the fundamental laws of the country, of the authorities, or of the Govern-

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ment in general." The purpose of this article is obvious, and this, with the articles previously quoted forbidding ministers of foreign birth to exercise their office in Mexico, has had a very salutary effect, from Carranza's standpoint, of converting into missionaries for the Carranza government many foreign ministers in that country and of incorporating those ministers in the Carranza propaganda service in return for Carranza's permission to violate the laws of the land by remaining in Mexico. The result has been that a swarm of preachers have been overrunning the United States perjuring their souls by indulging in Carranza propaganda. It never occurred to any of them to admit to the American public that they were not only violating the laws of the benighted Government they defended by being in Mexico at all but that they would have further violated its fundamental law if they had told the truth about that Government.

The Carranza leaders took every precaution in order that there might be no obstacle to putting through the program outlined in the constitution. Although the constitution provided for the life tenure of the judges of the supreme court, it was stipulated that this provision should not go into effect until after 1923, and by this means Carranza has been enabled to count on a subservient supreme court.

Thus has Carranza accomplished three of the great bolshevist objects of the revolution—the abolition of private property, the crippling of the church, and the expulsion of the foreigner. In connection with the charge of the existence of bolshevism in Mexico it is interesting to learn the opinion of Luis Cabrera, minister of finance and the intellectual head and director of the Carranza government. The *Dictamen*, of Vera Cruz, quotes Cabrera in its issue of the 3d of last August, in answer to a question as to whether there was danger that the bolshevist doctrines might spread into Mexico. The article published is as follows:

> Cabrera said that it is not possible for these doctrines to find in Mexico ample field for their development or that they should constitute here the same danger as in Europe and other countries, because conditions here are very different.
>
> He added that he could state that the good part of bolshevism was incorporated in the constitution of 1917, in some of the articles that were given birth by the revolutionary movement * * *; consequently, concluded Mr. Cabrera, bolshevism is not a novelty in Mexico nor is there fear, nor is there any reason for fearing, its acceptance here.

There could be no higher authority in this matter than Mr. Cabrera, and no one who knows Mexico is inclined to disagree with him.

Mr. KEARFUL. Are you familiar with the vicissitudes of the oil companies in their dealings with the Carranza authorities under the confiscatory clauses of the constitution and confiscatory decrees issued by Carranza?

Mr. BUCKLEY. Yes.

Mr. KEARFUL. Will you please proceed to state it in detail?

Mr. BUCKLEY. Oil property in Mexico has, of course, been confiscated; this is a fact concerning which there can be no argument. The steps that led to confiscation and the attitude of the oil companies are very interesting, because they afford a splendid insight into methods used by the Carranza authorities and the attitude that should be assumed by the Government toward the business interests in Mexico. The question is also extremely interesting, because of the recent publicity given to the oil interests and the attack on them by the Car-

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ranza government and its propagandists in the United States, notably L. J. de Bekker, Samuel Guy Inman, Arthur Thomson, and Robert H. Murray, provokers of intervention.

I practiced law in Tampico from 1911 to 1913 and represented nearly every American company in the field at that time as well as several European companies, and because of this connection and subsequent interest in oil leases there I have kept closely in touch with the situation.

There is no question that the oil companies are right in their contention—there is no question that their properties were legitimately acquired, that they have been confiscated, and that they are entitled to the protection of the American Government. On the other hand, there is no question that these companies, through a weak and vacillating policy very similar to that followed by the American Government in handling the general Mexican situation, have in a large measure brought on the present condition. I am of the opinion that they are as responsible for this particular situation as is the American Government; the oil companies are entitled to protection in their just rights, but like all other citizens they should stand on their rights and render more easy the efforts of their Government to protect them. If the heads of the oil companies in the United States had had a better understanding of the Mexican situation, and if those companies had been represented in Tampico by competent managers, indeed, if there had been one man of real ability among such managers, the oil properties would never have been confiscated.

I would like to say in this connection that the Mexican situation has been made too much of an oil question and has been confused too much with oil. Oil companies have suffered and are entitled to relief, but their suffering has been nothing as compared to that of the American of small means. The latter American has seldom been mentioned in connection with the Mexican situation. Thousands of good Americans went to Mexico on their own initiative, invested all their savings, and were then robbed and driven out of the country. These men have not been heard from; they have not the means to come to Washington or to reach the ear of the American people. They find themselves broken, back in a country in which they have lost their connections, without sufficient funds to enable them to finance propaganda, and what is worse, not even able to count on the sympathy of their own Government which abandoned them and betrayed them in Mexico and has lost no opportunity to malign them to the American people. These are the men who need sympathy and help. We shall present to the committee, if the committee desires, over 100 such men who are now living in different parts of the United States and also witnesses to the killing of 15 Americans, 12 of whom were killed by Carranza soldiers.

In this connection it should be noted that whereas 80 or 90 per cent of the Americans living in Mexico have been driven out of that country, the oil companies and other corporations that were there 10 years ago are still there and doing business; they have suffered, of course, but they have managed to stay on. When an American in Mexico is attacked by the authorities, in the absence of the protection to which he is entitled from his own Government, if he is

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to stay there he must fight or bribe. The American with $5,000 of property all in Mexico, and no resources in the United States—and this type of American constituted 80 per cent of those in Mexico—could not bribe and it has been hard for him to fight alone; some have fought and are still there. The great majority have lost their small property and were left no course but to abandon the country.

The oil company, able to fight, has not had the courage to do so, and has fallen back on the one alternative—bribery. There is not one of the foreign oil companies doing business in Mexico which has not from one to one hundred Carrancistas on its pay roll. In adopting this contemptible policy, the oil companies have not only contributed to their present plight, but they have failed to seize that leadership in the fight for American rights in Mexico to which they were urged by circumstances, and in so failing they have done incalculable harm to the American of small means and to the American people and American prestige.

For the purpose of inducing foreign capital to develop oil possibilities in Mexico and to spend large sums of money in finding and developing this hidden wealth, a law was passed by the Federal Congress on June 6, 1887, which provided that petroleum mining in all its ramifications, the hydrocarbon products derived therefrom, the capital invested, and the profits, the same as metal mining claims and coal mines, would be exempted from all Federal taxation except the stamp tax, also from State or municipal taxation of any kind whatsoever.

Nothing could be more plain in its meaning and intention than this law. The faith of the Mexican Government was pledged to exempt from taxation the foreign capital that was induced to engage in the hazardous business of developing the oil resources of Mexico, which Mexican capital, because of its timidity, would not develop.

The first encroachment on the rights of the oil companies came in a decree of the State government of Vera Cruz in 1912, during the presidency of Madero, which constituted a half-hearted attempt to begin the imposition of a tax on oil. This decree levied a license tax on companies producing oil, which at the time were limited to the Mexican Petroleum Co. and the Compania Mexicana de Petroleo, "El Aguila"—the Cowdray Co. Although this tax was a license tax, it was termed a "stamp tax" merely for the purpose of evading the law of 1887. The tax was levied on the companies producing oil. At that time the majority of the companies, including the Texas Co., the Gulf Refining Co., the Penn-Mex Fuel Co., the Royal Dutch Co., and many others, while already in the field, had not procured oil, and the Mexican authorities consequently thought that these companies would not join in opposing the decree.

At that time I represented most of the above nonproducing companies. These companies through my intervention agreed to join the Aguila and the Mexican Petroleum Co. in their fight, inasmuch as they regarded their interests as being identical, and I went to Jalapa, the capital of the State of Vera Cruz, as their representative in company with the representatives of the Aguila and Mexican Petroleum, to confer with the governor of the State. Before leaving Tampico I secured an agreement from the representatives of the two producing companies in question to the effect that we would stand on the principle that oil was exempt from taxation and would

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not compromise the matter on any other basis, for the reason that to compromise would constitute a waiver of the provisions of the law of 1887 and imply a recognition on our part of the right of the Mexican Government to tax oil. The members of the supreme court attended the session and gave as their opinion that the State of Vera Cruz had the right to levy this tax, first, because it was an independent State under the constitution and could not be bound by Federal legislation; and, second, that even if it were so bound the tax was a stamp tax which, under the provisions of the law, could be levied on oil companies. Both of these grounds were untenable because, first, regardless of the form of government, States in Mexico are not now and never have been independent, and besides, mining legislation and oil legislation are within the jurisdiction of the Federal Government; and second, because only the Federal Government levies stamp taxes, and because the law of 1887 in referring to a stamp tax referred merely to the well-known stamp tax existing at that time on bills of lading, receipts, checks, and other commercial instruments.

Notwithstanding the fallacy involved in the defense of this law, and notwithstanding the grave results that would follow the recognition of the right of the Government to tax the oil industry, the representatives of the Aguila and Mexican Petroleum Co., men of small vision who were intent on achieving a temporary victory and receiving the unmerited applause of their principals, compromised with the State authorities and agreed to pay a tax amounting to one-third or one-quarter of the amount specified in the decree; and thus the troubles of the oil companies began.

It is needless to say that a month or so later, without reference to the agreement made by the State with these companies, and in view of the recognition by the companies of the right of the State to tax oil, oil taxes were raised, new taxes were imposed, and taxes have been going up ever since. At the present time taxes on oil imposed by the Mexican Government are confiscatory and amount to from 30 to 45 per cent of the value of the oil at the well.

The oil companies long ago accepted the theory of the American Government to the effect that American property in Mexico is not entitled to protection; their whole attitude has been one of apology. Apparently they have been of the opinion that they did not have the sympathy of the American people, and they have been loath to stand on their rights.

In 1914, during the Niagara conference, I proposed to the companies that they immediately approach the representatives of the Carranza revolution and endeavor to secure an agreement protecting their rights; that if they failed to secure this agreement they approach the American Government openly and try to prevent this Government from recognizing the so-called Carranza Government; and that if they failed in this they measure their forces with those of the Carranza Government, and their own Government, if necessary, and endeavor openly to induce the American bankers not to finance the new Government; that in their first conference with the Carranza authorities they frankly advise these authorities just what their program would be in the event they did not obtain relief. The Carranza revolutionary junta would have understood such reasoning

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and would have acceded to their request. This program, however, was far too direct and too fundamentally sound to appeal to the oil companies and they turned it down.

Hardly had the Carranza revolutionaries taken Tampico when they began to issue all manner of military decrees taxing and vexing oil companies. The Federal authorities, the State authorities, and the municipal authorities all imposed taxes of all kinds. A company was not permitted to drill until after it had secured a permit and paid the necessary graft; an American could not take a lease or transfer it without securing a permit from the governor and paying the necessary graft.

The local commander at Tampico, an ignorant peon by the name of Emiliano Nafarrate, had the nerve to announce that he would issue a decree providing, first, that employers should pay their employees, regardless of the contracts that existed between them, in accordance with a scale of wages fixed by this commander, and that Carranza paper money, worth at that time about 2 or 3 cents on the peso, should circulate at an arbitrary value of 10 cents American money on the peso. In preparation for the promulgation of this decree, Nafarrate summoned the managers of the oil companies to meet a committee of laborers at his office. The American consul, Mr. Claude T. Dawson, an intelligent and patriotic American, implored the managers to ignore the summons of Nafarrate and not to recognize his outrageous claim to the right to arbitrarily regulate wages and other contractual relations. In spite of the appeal of the representative of their own Government, the weak managers submissively appeared at the meeting and accepted the wage scale that Nafarrate handed them.

When Nafarrate, after securing the submission of all of the oil companies representing assets of hundreds of millions of dollars, tried to impose this tax on the independent Americans in Tampico whose property did not exceed in value a few hundred thousand dollars, men who had gone to Mexico on their own initiative and for whom no corporation in the United States had purchased a round-trip ticket, these men stood on their rights and defied the military authority, held a meeting, and then formulated a petition to the President of the United States, which they sent by messenger to Laredo with instructions to wire it to the President and to the news bureaus; they also sent a copy of this petition through the American consul to Gen. Nafarrate. Nothing indicates more clearly than this petition just what the situation was at that time, and if you will permit, I will read it in full:

TAMPICO, TAMAULIPAS, *May 22, 1916.*

Hon. WOODROW WILSON.
President of the United States of America,
Washington, D. C.:

The undersigned American citizens, residing in Tampico, in mass meeting assembled respectfully submit the following to your consideration:

That it has become practically impossible for an American to do business of any nature in this section of the country because of restrictions placed by authorities that we believe to be directed primarily against American citizens.

For a year a series of decrees have made their appearance which have been progressive in that they are consistently becoming more anti-American. We believe that the authorities had not the remotest idea when they first began to issue such decrees that they would be able to enforce them, but that when nothing was done by our Government to secure their repeal these edicts have been

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made more stringent each day, until now our property is threatened with confiscation, and in some cases has been actually confiscated, and our own personal liberty is menaced.

A military decree was issued some months ago providing that lands might not be leased in the State of Vera Cruz for oil purposes without the consent of the State government, and this decree has been changed until now no foreigner is permitted to acquire leases, real estate, or assignment of leases from a native.

In this State an American may not acquire real estate nor may he lease land from a Mexican, nor will he even be permitted to lease a house or apartment for over one year without a special permit.

The military government of this State has instructed the stamp office not to issue certificates of transfer where one American sells to another, and the governor refuses to certify to the signature of the notary in any contract or other instrument in which an American appears. The effect of this procedure is to prevent Americans from transferring their property to other foreigners.

A decree was issued a few days ago by the local military authorities providing that labor should be paid and merchandise should be sold on a basis of Mexican gold, the consideration to be paid in Mexican paper money at an arbitrary value fixed by the Government regardless of the commercial value of this paper money as regulated by supply and demand.

Night before last an American citizen was arrested because he refused that afternoon to pay a wage greatly in excess of that agreed upon between himself and his laborers. He was arrested on a verbal order and detained in prison for three hours.

In a conference held with the military authorities yesterday in the presence of the American consul the authorities made the following statements:

(1) That the American had been arrested because he had failed to pay a wage fixed by a decree that had not been published, and which was not known to be in existence.

(2) That the military authorities are supreme in all matters affecting wages and other contractual relations, and that such authorities may arbitrarily fix any wage that they see fit.

(3) That the American in question would be compelled to pay his men for the previous week the wages provided for in the decree above referred to as having been formulated by the authorities but not yet published.

(4) That if Americans did not consent in the future to pay such wages they would be compelled to close their places of business, even though they might be able to enter into an agreement with laborers at a lesser wage.

(5) That the military authorities might abritrarily imprison Americans for violation of this decree and that the person arresting them would not be under the obligation of presenting an order of arrest to the man detained.

(6) That the alternative for Americans who did not recognize the validity of the decree in question would be to leave Mexico.

The authorities decided that the American arrested would have to pay the wages of his employee from the 15th instant in accordance with the schedule fixed in the decree referred to, although he was not advised of the existence of such decree until yesterday, the 21st; this morning the military authorities sent him an amended order requiring him to pay the wages as fixed by the decree from the 1st of this month, notwithstanding that the employee had already accepted all wages from the 1st to 13th.

The Americans think that the time has come when they should be advised definitely of the attitude of their Government with respect to the decrees referred to above and similar legislation. The principle involved is too obvious to merit discussion. The question is whether the property of Americans may be directly or indirectly confiscated by decree and whether Americans arbitrarily may be imprisoned by the military authorities.

We refuse to discuss with the authorities collateral matters that are designed to obscure the principle at issue; we will merely state to our Government that now, as in the past history of Mexico, the American is the employer that pays the highest wage—consideration of the scale of wages obtaining here, as compared with that in the interior of Mexico where no Americans remain, as well as an investigation of the wages paid by the present Government, and the method it employed recently to break the strike on the Government-controlled railways would be interesting, but are not pertinent to the matter under consideration.

All of the above decrees violate Mexican law and are in contravention of the rights of Americans guaranteed by treaty between Mexico and the United

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States. We desire to know if the American Government will permit the above decrees, or any of them, to remain in force where the rights of Americans are involved. An understanding with the authorities as to the future would not be sufficient; the decrees already in existence must be repealed where they affect Americans.

We also respectfully state that the military authorities are mistaken in their assertion that the only alternative to submitting to this decree—that is, to confiscation and arbitrary imprisonment—is for the Americans to leave the country. Another alternative is to remain in Mexico and receive from our Government the protection to which we are entitled.

We beg to advise the American Government that we will not obey the decree that seeks to regulate contractual relations where Americans are involved, and that we will not obey the provisions of the decree in which an arbitrary value is fixed on the paper peso. To do so would be equivalent to abandoning our property.

We submit to our Government that we believe that we are in this country not by the grace or favor of the Mexican authorities but because we have the right to be here, and we further submit that we are profoundly convinced that the authorities are anti-American in sentiment and purpose. We firmly believe it is their object to drive Americans out of Mexico.

We conceive it to be our right as American citizens to meet and consider our grievances and communicate with our Government, and we are sending to the American consul a copy of this communication with the request that he transmit the same to the military authorities in this city.

Eighty-four signatures omitted.

This petition is notable because of the fact that it expressed clearly the rights of Americans and expressed a willingness to fight for these rights regardless of the attitude of our Government. It is also notable, because the oil companies without exception refused to adhere to this declaration of Americanism; not a single manager, not a single representative of the hundreds of millions of dollars invested in oil, signed this petition.

Nothing could be more American than this petition; the oil managers would not only not sign it, but they endeavored to prevent the petitioners from using public halls in Tampico to hold their meetings; they were so alarmed at this anarchistic declaration of American rights that some of them went so far as to send word to Gen. Nafarrate that they did not sympathize with the attitude of these turbulent Americans.

When Gen. Nafarrate saw that he had a fight on his hands, that he was up against a group of Americans who understood their rights and did not stand back for their Government to take the initiative, he did what a Carrancista in such circumstances always does, and what the Carranza authorities would have done long ago with respect to the oil industry if this industry had been represented by men with the intelligence to understand their rights and the courage to fight for them—he gave in and exempted the independent Americans in Tampico from the operation of the decree. He did this in the presence of the American consul, but told the consul explicitly that since the oil companies had agreed to his preposterous dictation he would hold them to their agreement.

It is interesting, in connection with the attitude of the oil companies, to note the opinion of Mr. George Agnew Chamberlain, who has just resigned the position of Consul General of the United States in Mexico, expressed in his book Not All the King's Horses. Mr. Chamberlain states:

Take the oil interests; all they had to do was to print the clause of the constitution which stated that petroleum rights were purchasable, and throw in

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for good measure proof that they did not hold one square foot of ground by gift or concession. If they had stood pat on just that, said it and said it again and not another word, there never would have been an argument.

Carranza forecast the trend of oil legislation in one of his first decrees in which he ordered the suspension of all oil operations in the oil field of whatever nature until such time as he might give the companies express permission to continue. In his preamble to this decree he states:

It is necessary to prevent the continuation of unauthorized exploitation which would bring greater complications that would embarrass still more the already difficult work of revising the validity of existing exploitation and making uniform the juridical condition of oil property, which would be a constant menace in producing conflicts of an international character, owing to the nationality of some of the organizations, who, though they failed to comply with the just obligations which they owed the country from which they took great wealth, they could appeal with ease to the protection of foreign Governments.

You will note that this decree, as well as others that follow, took the legislation of the oil industry back into the Federal Government, but said nothing about the exemption of taxation provided for in the Federal law of 1887, and which was not recognized by the State of Vera Cruz on the ground that oil legislation was a local State matter that could not be controlled by the Federal Government. Now that the Federal Government had taken over oil legislation again, the exemption provided for in the law of 1887 was, of course, binding on this Government. However, the oil companies had admitted the right of the Government to tax oil for so many years that even the managers had forgotten that they were entitled to exemption, and I do not recall any instance in which this right was again urged. At about this time Pastor Rouaix, the minister of Fomento, who had charge of oil legislation, visited Tampico for the express purpose, as he stated quite frankly and quite generally in private conversation, of devising a plausible means of confiscating oil properties. The oil managers, true to their policy, lavishly entertained Mr. Rouaix and gave him a banquet the night before he left Tampico.

The Government decided to dredge the Panuco River and arbitrarily, and without any justification whatever, imposed a tax on the oil companies for this purpose which it distributed among the different companies in proportion to the Government's opinion of their ability to pay. The companies all protested vigorously, but did nothing else, and of course paid the tax. An instructive incident occurred in this connection. One of the companies, after its tanker had been loaded and dispatched by the port authorities, and was consequently not any longer legally within the jurisdiction of the Mexican authorities, refused to pay the dredge tax, whereupon the authorities detained the boat. The manager frantically appealed to the American consul, who, being a keen man, saw his opportunity, inasmuch as the boat had been cleared, and conferred with the captain of the American gunboat in the harbor, who agreed forthwith and without consulting Washington (this would have been disastrous), to take the tanker forcibly from the Mexican authorities and escort it down to the mouth of the river. When the consul told the manager in question that the gunboat was ready to proceed on this mission, the manager weakened, stated that this was too much responsibility for him to take, and rushed over and paid the tax before the American

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authorities could possibly give him the protection which he so earnestly solicited.

As stated above, the oil companies have never seemed to be sure of their rights, although there has never been any question of the legitimacy of those rights. Their approaches to the State Department have always been with an air of apology as if they did not have, as American citizens, the same right to appeal to their State Department for the protection that the department was in law bound to give them, as they had to approach a court with a legitimate petition in law.

When the Carranza government, perceiving not only the weakness of our Government but the weakness of the oil companies, attempted to go through with their scheme of confiscation, a scheme which these very authorities did not think two years before they could put into effect, the oil companies selected Messrs. Garfield and Rhodes, men apparently inexperienced in wordly affairs, and certainly extremely ignorant of Mexican conditions and Mexican character, to represent them in their endeavor to persuade the Carranza authorities to set aside the confiscatory provisions of the constitution. These gentlemen were selected, not because of their competency in such matters, for they were notoriously and pitifully incompetent, but because Mr. Garfield was a brother of the Fuel Administrator, and the oil companies hoped that they might thus succeed in influencing the Fuel Administrator to report to the Navy Department and the State Department that Tampico oil was indispensable to the prosecution of the European war and thus secure relief.

All through their negotiations the oil companies have been intent on securing the services of a brother or a cousin or a relative of somebody; their policy has been similar to that pursued by the American Government in asking Latin Americans to intercede with the Carranza authorities.

Messrs. Garfield and Rhodes carried out very splendidly the traditional policy of the oil companies and engaged in several months of argument with the Carranza officials, incurred their intellectual contempt, and finally entered into an agreement in which they admitted the principle of nationalization, that is, admitted that all the oil properties belonged to the Government and that the oil companies would in the future operate what had up to that day been their own wells and hold what up to that day had been their own properties, under special license by means of the payment of a rental and royalty to the new owner, the Mexican Government; but they induced the Carranza government to reduce the rental from 4 pesos to 3 pesos per hectare. Satisfied with this brilliant victory, they returned to the States, and what is worse and more humiliating, the highest executive officials of the oil companies in the States, men who had been dealing with Mexico and their properties in Mexico for several years, considered this matter for several weeks and engaged in heated debate among themselves before they decided not to accept and ratify the agreement entered into provisionally by Garfield and Rhodes with the Mexican authorities.

The Mexican authorities proceeded then to put into effect their so-called scheme of nationalization and issued a decree ordering the oil companies to "manifest," that is, to submit a complete state-

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ment of their properties, including certified copies of title deeds, leases, inscriptions of registration, geological reports, maps, etc., and fixed a certain period during which this must be done. Instead of meeting this issue boldly and telling the Carranza authorities that they would not make such manifestations, the oil companies sent a swarm of attorneys to Mexico City to argue again with the authorities and beg them from time to time to extend the period during which they must present these manifestations, which in itself indicated an intention to comply with the orders of the Government. In the meantime their attorneys were standing in the halls of the State Department, hat in hand, asking the State Department to take the initiative in a fight in which the oil companies themselves should have taken the initiative, and asking the advice of officials in the State Department, who in their handling of the Mexican situation for the last seven years had proved their incompetency and from whom no American in Mexico who has been able to stand on his own feet wants any advice. Incredible as it may seem, the oil companies without exception proceeded to prepare all this data and must have spent in the aggregate over $100,000 in compiling it, and awaited assurances of the States Department in advance that the State Department would protect them in their rights before deciding not to submit their manifestations, and this decision was not made until the afternoon of the last day of grace, and then, as I have stated, not until after the State Department had taken the initiative and promised to save the oil companies from all risk. Could there possibly be an example of greater incompetency and inefficiency than this?

Mr. KEARFUL. What, in your opinion, could the oil companies better have done than that which they did?

Mr. BUCKLEY. The solution of the troubles of the oil companies, like the handling of the entire Mexican situation, has always been a very simple one; it has been filled with complications by the manner of its handling from this end. If the oil companies, instead of sending numerous delegations to Mexico City to argue with the Carranza authorities, had told the Carranza authorities just what they were going to do, they would have secured relief. If they had frankly told Carranza that they would not permit him to steal their properties; that if he proceeded to do so they would appeal to their Government for relief; and that if their Government did not give them the protection to which they were entitled, they would measure their forces with Carranza and secure their own relief, Carranza would never have gone through with this scheme, and if he had tried to go through with it the oil companies would have won out in the fight.

Mr. KEARFUL. How could they have won the fight?

Mr. BUCKLEY. The oil companies, after receiving no relief from Carranza, instead of sending a multitude of representatives over to Washington to talk to clerks in the State Department, should have told the State Department just what they had already told Carranza, and if they failed to receive relief here they should have financed a revolution to take over and permanently administer the oil fields, which they could have done for an expenditure of $200,000 a month, whereas they are to-day paying Carranza over $1,000,000 a month.

Mr. KEARFUL. But such proceeding would have been a violation of law, would it not

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Mr. BUCKLEY. Yes; of course it would; but so would have been the confiscation of their properties by the Carranza Government, and the withholding of protection by the American Government to which these companies were entitled.

During the war, when the representatives of the oil companies were finally given a hearing by the President, who designated Mr. Josephus Daniels to hear their case, and they were asked pointedly just what they wanted and why they wanted it, they did not dare to rest their case on their fundamental right to protection under international law, but weakly stated that they wanted protection in order that oil might be available for the American Navy in the prosecution of the war, and were prompted not by self-interest, but by patriotism. They were promptly, and very properly, told that the American Government was quite willing to assume this risk and that the oil companies could go ahead on the same basis as before.

At a meeting of the oil companies that I attended in New York last December, when it was decided to send a committee to Washington to see Mr. Polk, of the State Department, and ask for the protection which was their right, a discussion was indulged in for three quarters of an hour in the selection of the committee in their endeavor to send three Americans who might appeal to Mr. Polk; it appeared that Mr. Polk was very temperamental, and liked some people and didn't like others; his ex-law partner was solicitously consulted in the matter of Mr. Polk's likes and dislikes, and finally a committee was selected, not because its personnel was approved by its principals, but because it was calculated that the gentlemen constituting this committee would not ruffle the delicate sensibilities of this official in the State Department.

Mr. KEARFUL. What do you think would be the attitude of the oil companies toward the Mexican problem as a whole, affecting as it does many thousands of other Americans, if they could get the protection they desire and secure a modification of the confiscatory clauses of the constitution of 1917?

Mr. BUCKLEY. In spite of the protestations of the oil companies to the contrary, I believe that they would all, with the exception of one man, quit the fight, which, because of peculiar circumstances, they have been involuntarily waging for the rights of Americans in Mexico.

Mr. KEARFUL. Who is the man to whom you refer?

Mr. BUCKLEY. Mr. Edward L. Doheny.

Mr. KEARFUL. What do you know about the practice of the oil companies in paying tribute to Manuel Pelaez?

Mr. BUCKLEY. The oil companies are paying a monthly tribute to Paleaz, but the charges made against them to the effect that they are deliberately financing Pelaez are untrue. They are paying Pelaez, not because they want to, but because Pelaez compels them to. Pelaez has given them protection, the protection that they could not get from the constituted government, but nevertheless, they are so short-sighted that he has had to force them to give him the money to support his troops; the only thing that has stood in the way of the actual confiscation of the oil fields is the fact that Pelaez has had possession of those fields for the greater part of the time.

Mr. KEARFUL. Are you personally acquainted with Pelaez?

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Mr. BUCKLEY. Yes; I know him well.

Mr. KEARFUL. What character of man is he?

Mr. BUCKLEY. Pelaez is a splendid type of Mexican. He and his two brothers are men of independent means, were born and reared in the territory now constituting the oil fields; they have always been leaders in that section and law-abiding citizens. They took little part in politics, and were ready to submit, and did submit, to the new régime upon the flight of Huerta, but the Carrancistas were not content with this submission; the Pelaez brothers had property and stock and money and the Carrancistas proceeded to take over their stock and hold them up for forced loans. After depriving them of all the money they had, the Carrancistas kept demanding more, and finally Manuel Palaez had the alternative of leaving the country or revolting, and he preferred the latter.

Mr. KEARFUL. What is the attitude of Pelaez toward Americans?

Mr. BUCKLEY. The evidence of everybody in that country, the evidence of the oil companies, the reports of the American consuls and special investigators of the American Government, all show that Pelaez has been uniformly friendly toward Americans. The State Department is in possession of a mass of evidence to this effect. Ninety per cent of the robberies and murders of Americans that have been committed in the oil fields have occurred in the territory controlled by Carrancistas, and most of them have been perpetrated by Carrancistas. Pelaez has given Americans and their properties, and Mexicans and their property, every protection. During the war, when Carranza was pro-German and was trying to drive Pelaez out of the fields with arms and ammunition obtained in the United States with the consent of the American Government, Pelaez was pro-ally, was protecting the oil fields for the Americans and the Allies and was driving out of these fields all German spies that were reported to him by either the oil companies or the American consuls.

Mr. KEARFUL. How is Pelaez regarded by the Mexican people in that locality?

Mr. BUCKLEY. He is looked upon by the Mexican people in that portion of the country as their only hope, the man who has saved them from the confiscation of their properties. The fact that he has remained there for four years, with scarcely any resources and no arms or ammunition outside of what he could capture or buy from the Carrancistas is evidence of the support of the people.

Mr. KEARFUL. What is your opinion as to the remedy that should be applied to the Mexican problem? Are you in favor of armed intervention by this country?

Mr. BUCKLEY. No; I am not. The present condition of Mexico does not mean that Mexico is not capable of self-government; it simply means that the bandits are not able to govern Mexico satisfactorily. There is a difference between self-government and a democratic form of government; Mexico is capable of the former, although not fitted for the latter. The Government of Mexico for 35 years during the régime of Diaz was beneficial to her people and entirely satisfactory to the rest of the world; during this period Mexico complied with her national and international obligations.

It is true that most Americans from Mexico now advocate armed intervention; they have come to this view as the result of many years

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of suffering, and because of conditions which promise to last indefinitely, and because of their feeling that for some reason the decent Mexican people will never again be allowed to rule their own country. No American in Mexico wanted intervention ten years ago; any American who has been in Mexico that long would prefer the Government that existed then to armed intervention. Many Americans have reached the point of advocating armed intervention because they have devoted little thought to Mexican history, or are not acquainted with the cultured Mexican and do not understand his point of view and do not understand or have forgotten the capabilities of the high-class Mexican. Our Government has not produced men greater than Limantour, Mariscal, or the Macedos, and there are many such Mexicans to-day, most of them, unfortunately, in exile. I believe that those Mexicans, with the proper aid, could form a satisfactory Government. Armed intervention is, of course, an alternative to the present state of anarchy, but it is not the only alternative, and, in my opinion, is not the best alternative. When the American Government intervened in the local affairs of Mexico it laid the foundation for armed intervention for two reasons: First, because one government can not control the internal affairs of another people and dictate to them without resorting eventually to the use of armed force—peaceful intervention can not last indefinitely; and, in the second place, because when the American Government selected men of the type of Villa and Carranza to be the rulers of Mexico it chose men who could not permanently rule that country to the satisfaction of the Mexican people and foreign Governments; it chose a class that was doomed in advance to failure and failure pointed inevitably toward armed intervention. In the history of our relations with Mexico the policy of our present administration will be looked upon as an interventionist policy.

I firmly believe that the solution of the Mexican problem lies either in the positive backing of any one of a number of able Mexicans who would make good presidents of that country, or in the negative policy of withdrawing recognition from Carranza, and permitting the decent people in that country to form their own government without hindrance on our part. There is no question in my mind but that this latter method would be successful; if, however, we were not sure of its success it would be best to try it before attempting armed intervention. The educated Mexican, the great mass of the Mexican people, have not been given any opportunity in the last seven years. Our powerful Government has made an alliance with men who have oppressed that people and defied all foreign Governments and has been true to this alliance. Now that Carranza has failed, the fear of Americans in Mexico is that our Government will back some other Mexican of the same type; a Government that in the face of all the evidence first backed Villa, then flirted with Zapata, and finally chose Carranza is in danger, is apt, if left to its own devices, to make another unsatisfactory choice.

Mr. KEARFUL. Why is it that the better class of the Mexican people have not formed an efficient government?

Mr. BUCKLEY. In the first place, because in their majority they have been expelled from that country with the tacit consent of the American Government; because their properties have been confiscated with the tacit consent of the American Government; because

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a number of them have been killed, also with the tacit consent of the American Government—for we must conclude that where a Government maintains its recognition of another government that has expelled and outrages its best citizens, this Government consents to that conduct. How could this class of Mexicans, even if they were provided with resources, successfully overthrow the present Government in Mexico when the United States insists that no one in Mexico but Carranza shall have arms and ammunition, and when it holds over them the menace of nonrecognition, without which no Government in Mexico can last?

The effects of armed intervention on the United States and on its future relations with Mexico would, in my opinion, be bad. After the American troops had left Mexico the United States and Americans would be hated by the very people in Mexico who are now clamoring for intervention, and, in their despair, there is no doubt that the majority of people in Mexico want armed intervention. They would forget all the good that the American Government might do and only remember the inevitable wrongs and clashes. It would be a difficult situation for Americans for 10 or 15 years after the American troops left. There is no place where we are disliked more heartily than in Cuba, and intervention in Mexico would have the same result, especially as all Mexicans would realize that we intervened to correct conditions that we had a large part in creating.

The ultimate aim of armed intervention would certainly not be the annexation of any Mexican territory or the formation of a permanent military protectorate over that country. The ultimate end, I assume, would be to turn Mexico's Government over to the Mexicans; and when this is done, whether it be within 1 year or 50 years, that Government will be left in the hands of the very people whom we have driven out of Mexico—the only people who ever gave Mexico a decent government. If it is to be done after armed intervention, it would be better to do it now. It would take a little longer for the Mexican to pacify his own country, but it would be a more secure pacification when it came, and the result would be more permanent.

Mr. KEARFUL. We often hear of the necessity to shape American policy in order to meet the sentiment of Latin-America, and that a strong policy with respect to Mexico would have a deleterious effect upon our prestige in Latin-America. What is your opinion about that?

Mr. BUCKLEY. I think we should settle this matter with Mexico without reference to Latin America or to what Latin Americans or anybody else thinks; I think we should settle it in the right way without reference to anybody else. I have always thought that this talk about our Latin American relations that we hear so much about among the officials of the American Government is founded in their provincial ignorance of such matters. Conferences like the Pan American Conference and the Niagara Conference and our many other conferences do us no good in Latin America—Latin America respects us more when we attend to our own business and do not call Latin Americans in for consultation. Our relations with Mexico are our own business and nobodys else. The use of a firm hand in dealing with Mexico would only strengthen the respect of Latin America

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for us; I don't mean armed intervention, for, as I stated before, I do not think this is necessary, nor have I in mind just the present situation; but what I mean is that under ordinary circumstances we should insist that every American, no matter how insignificant he may be and even though he be in the most remote part of Mexico, has the right to the protection of his Government and that where he is discriminated against or denied the protection of the law, the American Government would be justified in using its entire Army and Navy to give him protection, and that nothing would have a more salutary effect on our Latin American relations than the use of our Army and Navy where this use is justified. It would instil a wholesome respect in people who would commit the same abuses that have been committed in Mexico if they could do so with impunity. Nothing would have raised our prestige so in Latin America as the dispatching of an army across the border the first time an American was touched and the execution of all those who had injured him. If this had been done seven years ago, in fact, if it had been threatened, Americans would have had no trouble either in Mexico or in the rest of Latin America. As it is, our prestige in Latin America was never so low as it is to-day.

Mr. KEARFUL. Do you desire that your testimony be considered by the committee in executive session, or are you willing that it may be printed as a part of the public hearings?

Mr. BUCKLEY. I am perfectly willing that my testimony should be printed and published; I would not give testimony for consideration only in executive session.

(Whereupon the committee adjourned subject to the call of the chairman.)

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INVESTIGATION OF MEXICAN AFFAIRS

HEARING

BEFORE A

SUBCOMMITTEE OF THE COMMITTEE ON FOREIGN RELATIONS UNITED STATES SENATE

SIXTY-SIXTH CONGRESS

FIRST SESSION

PURSUANT TO

S. Res. 106

DIRECTING THE COMMITTEE ON FOREIGN RELATIONS TO INVESTIGATE THE MATTER OF OUTRAGES ON CITIZENS OF THE UNITED STATES IN MEXICO

PART 7

Printed for the use of the Committee on Foreign Relations

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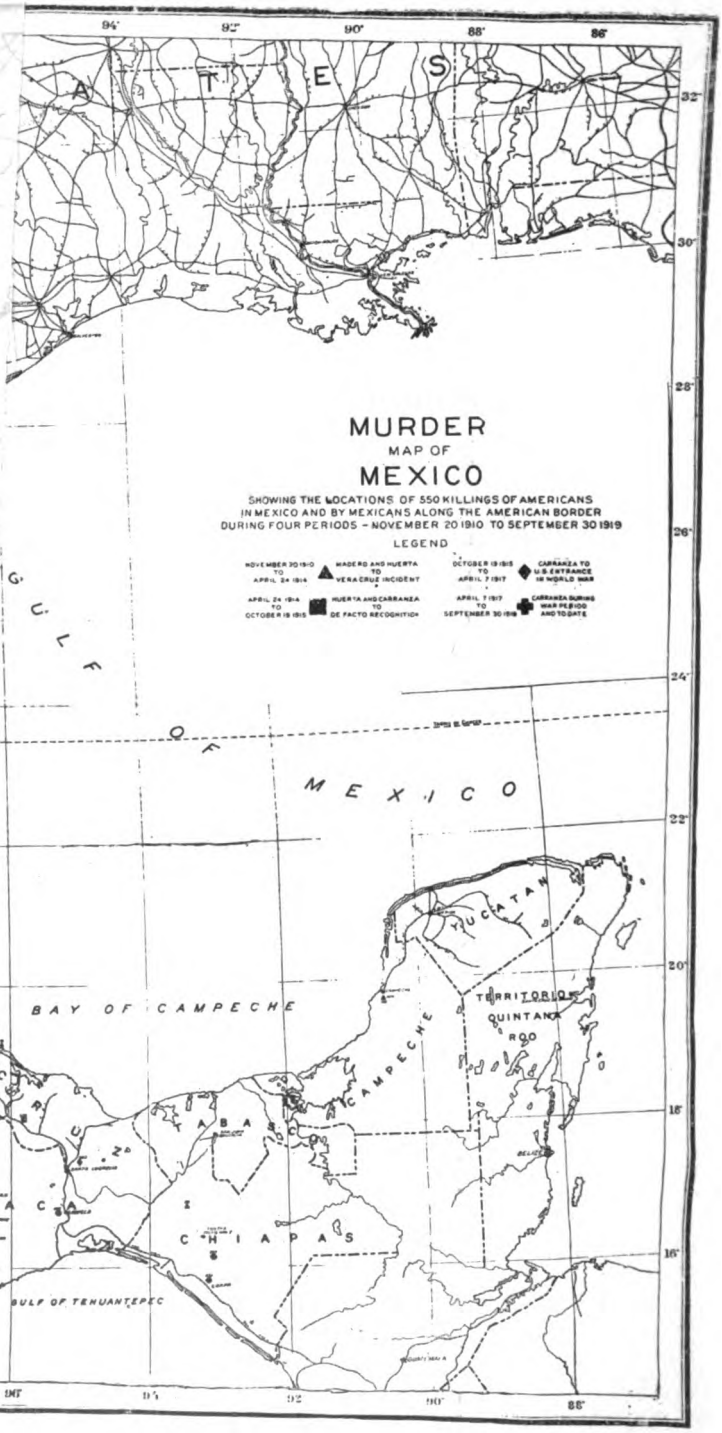

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INVESTIGATION OF MEXICAN AFFAIRS.

MONDAY, DECEMBER 29, 1919.

UNITED STATES SENATE,
SUBCOMMITTEE ON FOREIGN RELATIONS,
Washington, D. C.

Testimony taken at Washington, D. C., December 29, 1919, by Francis J. Kearful, Esq., in pursuance of an order of the subcommittee of the Committee on Foreign Relations of the Senate:

TESTIMONY OF EDWARD R. SARTWELL.

Mr. KEARFUL. Please state your full name.

Mr. SARTWELL. Edward R. Sartwell.

Mr. KEARFUL. What is your present address?

Mr. SARTWELL. My home address is 217 T Street NE., Washington, D. C.

Mr. KEARFUL. And your business address?

Mr. SARTWELL. My business address is 320 Kellogg Building, Washington, D. C.

Mr. KEARFUL. What is your profession, Mr. Sartwell?

Mr. SARTWELL. At the present time, a publicity agent.

Mr. KEARFUL. With what concern are you connected?

Mr. SARTWELL. I am connected with the National Association for the Protection of American Rights in Mexico, in their Washington office.

Mr. KEARFUL. You have furnished the committee with a map [see opposite page] entitled "Murder Map of Mexico," showing the location of 550 killings of Americans in Mexico and by Mexicans along the American border during four periods covering the period from November 20, 1910, to October, 1919. Will you please explain the theory of this map and how and from what data it was prepared?

Mr. SARTWELL. This map represents by symbols the location and the approximate date of 550 killings of American citizens during the period indicated. The deaths are indicated by four symbols; the first, a triangle, indicates a killing in the period November 20, 1910, to April 24, 1914. This period represents the period of Madero and Huerta control in Mexico; that is, it covers the revolutionary period from the beginning of the Madero revolution to the time that the Vera Cruz incident began the downfall of the Huerta revolutionary government.

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The second period, represented on the map by a square, covers the date from April 24, 1914, to October 19, 1915. This period covers the final dissolution of the Huerta government and the accession of the Carranza government to the period when Carranza was recognized as the de facto head of the Mexican Government by the United States.

The third period, which is represented on the map by a diamond, covers the time from October 19, 1915, to April 7, 1917. This period covers the Carranza régime in Mexico prior to the entrance of the United States into the World War.

The fourth period, which includes the dates from April 7, 1917, to September 30, 1919, covers the Carranza régime during the time the United States was engaged in the World War to the last date mentioned.

The recapitulation accompanying the map shows the number of American civilians and the members of the United States military forces killed in each period and classifies these killings as to their location in Mexico or along the border. This recapitulation shows that during the first period, covering 41 months under the Madero and Huerta régime, 147 American civilians and 2 members of the military forces of the United States were killed in Mexico and that 18 civilians were killed in the United States by Mexicans.

This is a total of 167 Americans killed during this period.

During the second period 17 civilians and 21 members of the military forces of the United States were killed in Mexico and 13 civilians and 15 members of the United States military forces were killed in the United States by Mexicans.

During the third period 83 civilians and 28 members of the United States military forces were killed in Mexico and 19 civilians and 33 members of the United States military forces were killed in the United States by Mexicans.

The fourth period, 58 American civilians and 8 members of the United States military forces were killed in Mexico and 12 American civilians and 16 members of the United States military forces were killed by Mexicans in the United States.

During the 53 months represented by the second, third, and fourth periods, or the period of Carranza responsibility in Mexico, 218 American civilians and 57 members of the United States military forces were killed in Mexico, and 44 American civilians and 64 of the United States military forces were killed in the United States by Mexicans, making a total of 383 killings for these three periods. The total killings for the period covered by the map are 550.

Mr. KEARFUL. Please state from what sources you obtained this information.

Mr. SARTWELL. This map was prepared in the Washington office of the National Association for the Protection of American Rights in Mexico under the direction of Mr. J. P. Annin, Washington representative of the association, who is at present absent on account of illness. The list upon which the map is based is a compilation which coordinates the following authoritative lists of Americans killed in Mexico:

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The Fall list, which was submitted to the Senate by Senator Albert B. Fall, of New Mexico, on March 9, 1914, and which was published in full in the New York Times of March 10, 1914. Three lists prepared by the State Department, the first, known as the Lansing list, appearing in Senate Document No. 324, Sixty-fourth Congress, first session, dated February 17, 1916; the second, called the State Department list, which appears in Senate Document No. 67, Sixty-sixth Congress, first session, dated July 31, 1919, and the third, called the Fletcher list, which was submitted to the House Rules Committee on July 22, 1919, by Ambassador Fletcher, and which appeared in the reports of the proceedings of that committee. A list of Americans killed in Mexico, which appears in the book Mexico Under Carranza, by Thomas E. Gibbon, page 248, et seq; a list called "Gibbon Revised," which is a revised list prepared by Thomas E. Gibbon; the casualty lists of the War Department covering the entire period excepting between October 1, 1916, and February 14, 1917; information in the New York Times newspaper on the dates mentioned in the tabulation and, finally, letters, claims, and other information of a specific character in the possession of the National Association for the Protection of American Rights in Mexico which are now in the files of that association at 347 Fifth Avenue, New York City.

Mr. KEARFUL. Was especial care exercised to make the list as full and complete for the period mentioned as possible and to avoid all duplications?

Mr. SARTWELL. Especial care was necessarily taken to avoid all duplications. The lists as I have given them to you in many cases show duplications. All of those lists are incomplete, and in some cases cover only a small part of the period which is covered by the map. In preparing the map the greatest care was exercised to avoid these duplications. Wherever it could be reasonably established that names on two or more of the lists were duplicates they were omitted. In five cases there seemed to be a reasonable doubt as to the duplication and these five cases have been included on the map with a note in the tabulation accompanying each of the five instances showing that they may be duplications and referring to the other cases which would show the possible duplication.

Mr. KEARFUL. I notice that each symbol on the map is accompanied by a number and that the tabulation which you have mentioned and submitted contains the names of the victims opposite each number with a citation of the place where the killing occurred, a brief statement descriptive of the killing and a reference to the particular authority from which the item was taken.

Mr. SARTWELL. Yes; that tabulation also includes the approximate date of each killing.

Mr. KEARFUL. The tabulation which shows on its face in brief from the data to which you have been testifying will be received and placed in the record at this point.

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American citizens killed and murdered by Mexicans.

PERIOD NOVEMBER, 1910, TO APR. 24, 1914.

CIVILIANS.

No. on map.	Approximate date.	Name or identification.	Where killed.	Remarks.	References.[1]
	1910.				
1	Nov. 20	James W. Reid	Mexico City	Killed by Mexican policeman	Gibbon; State.
2	Dec. 12	Emil Alex Krause	Novillas, Tamaulipas.	Killed by bandits	Gibbon.
3	.....	—— Cummings	—— Mexico	Murdered; data incomplete	State.
4	.....	—— Green	do	do	Do.
5	.....	—— Hughes	do	do	Do.
6	.....	—— McLaughlin	do	do	Do.
7	.....	—— Maxwell	do	do	Do.
8	.....	—— Passon	do	do	Do.
9	.....	—— Randall	do	do	Do.
	1911.				
10	Mar. 9	William E. Fowler	Tuxpan, Vera Cruz.	Murdered by peon	Gibbon; State.
11	Apr. 7	George Critchfield	do	Shot by Maderista; unpunished.	Do.
12	Apr. 13	Robert Harrington	Agua Prieta, Sonora.	Killed by stray bullet across border.	Fall.
13	Apr. 26	Dr. Seffer Olsen	Cuernavaca, Puebla.	Wantonly killed in Zapatista train holdup.	Gibbon; Naparim.
14	Apr. 30	Roy M. Godman	Acapulco, Guerrero	Murdered by rebels	Gibbon; State.
15	May 9	Antonio Garcia	El Paso, Tex	Killed by stray bullet from Juarez.	Fall.
16	do	Unknown	do	do	Do.
17	do	do	do	do	Do.
18	May 18	Samuel Hiedy	Los Platanos, San Luis Potosi, approximate.	Killed by robbers	State.
19	May 27	Dr. R. G. Clarks	Mexico City	Killed by Maderistas	Gibbon; State.
20	May, June	Elbert Pope	Lower California, approximate.	Killed by fleeing bandits	State.
21	June 4	W. H. McDonald	Pachuca, Hidalgo.	Killed by bandits	Gibbon.
22	June 11	Jno. G. D. Carroll.	Alamo, Lower California.	Killed by Madero soldiers because Dr. Foster attended wounded rebel.	Gibbon; State.
23	do	Dr. Allen L. Foster.	do	do	Do.
24	do	Patrick Glennon	do	do	Do.
25	June 22	Mrs. Anderson, daughter, and unnamed American boy.	State of Chihuahua.	Killed by Madero soldiers; murderers served 6 months in prison and were then released.	Gibbon; Fall.
26	do				
27	do				
28	June 17	Milton K. Willis	Mexicali, Lower California.	Killed by a relative of a Madero judge.	State.
29	Sept. 14	Oscar M. Delham	Pachuca, Hidalgo.	Murdered by bandits because he was a "gringo."	Gibbon; State.
30	Sept. —	Wenceslas France.	Acala, Chiapas	Murdered by Indians	Gibbon.
31	Nov. 11	Jno. R. Lockhart	Durango, State, approximate.	Killed by Indian bandits	Gibbon; Fall.
32	Dec. 10	Chas. W. Gillet	Acaponeta, Tepic.	Killed by bandits in view of his wife.	Gibbon; State; Naparim.
33	.....	—— Bertholdt	Somewhere in Mexico.	Murdered, but data incomplete.	State.
34	.....	—— Bishop	do	do	Do.
35	.....	—— Jones	do	do	Do.
36	.....	—— Lawton	do	do	Do.
37	.....	—— Lescher	do	do	Do.
38	.....	—— Royer	do	do	Do.
39	.....	William H. Shope.	do	Shot by bandits who outraged wife and daughters.	Do.
40	.....	—— Swazay	do	Murdered; data incomplete	Do.
41	.....	—— Urby	do	do	Do.
42	Mar. 10	Jas. B. McCleeland	Rio Chico, Durango.	Killed by bandits	Do.
	1912.				
43	Mar. 10	A. E. Thomas	South of Nogales, Sonora.	Killed by bandits, defending wife and children.	Gibbon; Fall.
44	Mar. 27	Escalon Smith	Somewhere in Mexico.	Killed by bandits	Gibbon.
45	Apr. 4	W. H. Waite	Ochotal, Vera Cruz	Beheaded when employees turned bandits; two alleged murderers executed by Madero.	Gibbon; State.

[1] See "Notes" following this table.

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American citizens killed and murdered by Mexicans—Continued.

PERIOD NOVEMBER, 1910, TO APR. 24, 1914—Continued.

CIVILIANS—Continued.

No. on map.	Approximate date.	Name or identification.	Where killed.	Remarks.	References.
	1912.				
46	Apr. 9	Thos. A. J. Fountain.	Parral, Chihuahua	Executed by Gen Salazar.. despite State Department protest; was Villista soldier.	Fall; State.
47	Apr. 10	Thos. C. Kane.....	Somewhere in Mexico.	Murdered when bandits wrecked train and butchered passengers.	Gibbon; Fall.
48	May —	Jas. D. Harvey....	Chihuahua, approximate.	Killed and mutilated by bandits.	State; Fall.
49	May-July	William Adams...	Ascencion, Chihuahua.	Murdered by Madero officer, in daughter's arms at funeral of his wife.	State.
50	June 18	H. W. Stepp.....	Durango City.....	Shot by rebels for failure to pay 500 pesos ransom.	Fall.
51 52	July 12	Jno. Hertling..... Guido Schubert...	Nogales, Sonora...	Both hanged by Orozco followers.	Do.
53	July 21	Henry Crumely...	Purandiro, Michoacan.	Murdered by Mexican servant.	State.
54	Aug. 10	Jno. W. Shepard..	Guanajuato, Guanajuato.	Killed by bandits.....	Gibbon.
55	Aug. 11	H. L. Strauss.....	Cuautla, Morelos..	Killed by bandits in train holdup.	Fall.
56	Aug. 14	Rowan Ayers.....	Patzcuaro, Michoacan.	Killed by bandits; arrest reported.	State.
57	Aug. 28	Joshua Stevens....	Pacheco, Chihuahua.	Killed defending daughters from bandits.	Fall; State.
58	Sept. —	—— McKinsea..	Agua Prieta, Sonora.	Executed by rebels.....	Fall.
59	Sept. 16	N. Mathewson.....	Colonia Morelos, Sonora.	Killed by bandits.....	Do.
60	Sept. 29	Patrick J. Kelly...	Velardena, Durango.	.....do.....	Gibbon.
61	...do....	Herbert Russell...	Durango City, Durango.	Killed by rebels.....	Fall.
62	Nov. 17	John F. Brooks...	Colonia Chuichupa, Chihuahua.	Killed by rebels for resisting robbery.	Fall; State.
63	Dec. 31	Ernest Spillsbury.	Pachuca Hidalgo..	Murdered by Mexican civilian.	State.
64	.....	—— Buckerdike	—— Mexico.....	Murdered, data incomplete..	Do.
65	.....	—— Crawford...	.....do.....	.....do.....	Do.
66	.....	—— Haigler.....	.....do.....	.....do.....	Do.
67	.....	Mrs. Mortenson...	Guadalupe, Chihuahua.	Killed by bandits ravaging her 10-year old daughter; murderers identified, arrested and released without trial.	Naparim.
68	.....	Unknown.....	.....do.....	Killed attempting to defend Mortenson child (cf. No. 67).	Do.
69 70 71	.....	—— Meyer..... —— Reterman.. —— Thompson .	—— Mexico.....	Murdered; data incomplete .	State.
72	.....	—— Couch.....	Colonia, Tamaulipas.	Killed with machete by 3 Mexicans.	Naparim.
73	.....	W. L. Raynolds...	Chamal, Tamaulipas.	Beaten to death by bandits..	Do.
	1913				
74	.....	Jno. Henry Thomas	Chihuahua (State) approximate.	Killed by Federal soldiers...	Gibbon's revised.
75 76 77	Jan. —	Unknown.....	Lower California, approximate.	3 miners killed by bandits...	New York Times Mar. 10, 1913.
78	Jan. 14	Edw. G. Dexter...	S. J. Taviche, Oaxaca.	Murdered by Indians.....	State.
79	Feb. 11	Mrs. W. I. Bishop.	Mexico City.....	Killed in street fighting.....	Gibbon.
80	Feb. 12	Mrs. Jos. P. Griffith.	.....do.....	Killed by stray shell in street fighting.	Naparim; New York Times, Feb. 13, 1913.
81	...do....	Mrs. Minnie L. Holmes.	.....do.....	.....do.....	Do.
82	Feb. 15	R. Norvall Meredith.	.....do.....	Killed by stray bullet in street fighting.	Gibbon; New York Times, Mar. 15-16, 1913.

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American citizens killed and murdered by Mexicans—Continued.

PERIOD NOVEMBER, 1910, TO APR. 24, 1914—Continued.

CIVILIANS—Continued.

No. on map.	Approximate date.	Name or identification.	Where killed.	Remarks.	References.
	1913.				
83	FeB. 20	Boris Gorow	Nueva Vista Tepic	Killed by bandits	State.
84	Ma) —	Frank Horace	Coalcoman, Michoacan.	Killed by Mexican civilian	Do.
85	Mar. 17	Walter Van Den Bosch.	Durango City, Durango.	do	Do.
86	Mar. 22	James O. Lawrence	Tampico	do	Do.
87	Mar. 24	L. Busnell	—— Mexico	Killed by bandits	Gibbon's revised.
88	do	Pablo Soto	do	do	Do.
89	Mar. 31	Albert H. Lawrence.	Tampico	Killed by Mexican civilian	State.
90	Apr. 9	Frank Ward	Yago, Tepic	Shot down in home by bandits.	Fall.
91	Apr. 13	J. C. Edwards	Agua Prieta Sonora.	Killed by Villistas	Gibbon; Fall.
92	Apr. 30	Wm. B. A. Dingwell.	—— Mexico	Killed by rebels	Gibbon's revised.
93	May 4	Clarence Cooper	Pearson, Chihuahua.	Killed by bandits	Fall.
94	May 5	Unknown	Guaymas-Ortiz, Sonora.	Railroad man killed by rebels.	New York Time May 6, 1913.
95	do	do	do	do	Do.
96	May 12	William Protexter.	Junta, Chihuahua.	Murdered by Mexican civilians.	State.
97	May 13	John B. Alamia	Rio Bravo, Tamaulipas.	Hanged by rebels charged with being Madero spy.	State; Times, May 15, 1913.
98	July 5	Benjamin Griffin	Chuichupa, Chihuahua.	Killed by bandits for refusing to pay ransom.	Fall; New York Times, July 18, 1913.
99	July 6	Henry Knox Burton.	Santa Rosalia, Chihuahua.	Killed by Carranza soldier because he was an American.	State; New York Times, July 11, 1913–Aug. 13, 1914.
100	Aug. 13	Edmund Hayes, jr.	Madera, Chihuahua.	Murdered in cold blood by Huerta soldiers.	State; Gibbon; Fall; New York Times, Aug. 26, 1913.
101	do	John Henry Thomas.	do	Murdered in cold blood by Huerta soldiers. (Possibly duplicate No. 74.)	Do.
102	Aug. 28	Mrs. Charles E. Ross.	Chihuahua City	Murdered by four Mexican robbers.	State.
103	Sept. —	Allen McCoy, Sr.	Ayulta, Jalisco	Driven from home with his wife and maltreated by Carrancista bandits. Lost his mind and died in United States.	Naparim.
104	Sept. 2	Morris P. Root	Huajicori, Tepic	Hacked to pieces by Mexicans who looted mine.	State; New York Times, Sept. 16, 1913.
105	Sept. 10	Wm. C. Robertson.	El Lobo, Sinaloa	Shot down by rebels for refusing to surrender arms.	State; New York Times, Sept. 18, 19, 1913.
106	Sept. 16	Victor W. East	—— Campeche	Murdered by bandit	State.
107	Oct. 2	R. Weiniger	Mapimi, Durango.	Killed by Carrancistas	Gibbon; New York Times, Nov. 7, 1913.
108	Oct. 13	Thomas Barrett	Hostotipaquilla, Jalisco.	Killed by Mexican miners	Gibbon; New York Times, Oct. 17, 1913.
109	do	William Kendall	do	do	Do.
110	Nov. —	John Edson	Guadalajara, Jalisco.	Murdered with wife by four Mexicans with machetes.	State.
111	do	Mrs. John Edson	do	Murdered with husband (cf. No. 110).	Do.
112	Nov. 1	Porfirio Laurel	Nuevo Laredo, Tamaulipas.	Murdered by Madero soldiers.	Do.
113	Nov. 15	Charles Seggerson	Juarez	Killed by Villistas attacking Juarez.	Do.
114	Dec. 31	Encarnacion Sanchez.	Mexicali, Lower California.	Killed by Madero officials	Do.
115	do	Jose Valencia	do	do	Do.
116		B. Stowe	—— Chihuahua	Killed by bandits	Fall.

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American citizens killed and murdered by Mexicans—Continued.

PERIOD NOVEMBER, 1910, TO APR. 24, 1914—Continued.

CIVILIANS—Continued.

No. on map.	Approximate date.	Name or identification.	Where killed.	Remarks.	References.[1]
	1914.				
117	Jan. —	Pedar Pederson...	Ozuluama, Vera Cruz.	Murdered by robbers.....	State.
118	Jan. 26	Frank Smith.....	Tampico.....	Murdered by Huerta officers.	Do.
119	Jan. 28	Robert W. Hardwood.	Tiajuana, Lower California.	Killed by Huerta soldiers under "ley fuga."	New York Times, Feb. 1, 1914.
120	...do....	Mortimer Miller...	....do.....	....do.....	Do.
121		Mrs. Lee Carruth..			Gibbon; New York Times, Feb. 9, 1914.
122		——— Carruth....			Gibbon.
123		....do.....		Bandits under Castillo fired the timber lining of the railroad tunnel by running a blazing freight train into the shaft and wrecking it. A passenger train on which were Mrs. Carruth, her 5 children, and 10 other Americans, ran into the blazing tunnel and was wrecked. Villa ordered Castillo executed, but he escaped to the United States where he was detained a short time, but was later allowed to go....	Gibbon; New York Times, Feb. 9, 1914.
124		....do.....			Do.
125		....do.....			Do.
126		....do.....			Do.
127		Martin J. Gilmartin	Cumbre Tunnel, Chihuahua.....		State.
128	Feb. 4...	K. L. Hatfield.....			New York Times, Feb. 9, 1914.
129		Thomas Kelly.....			State.
130		Edward J. McCutcheon.....			Do.
131		C. H. Marders.....			Do.
132		J. I. Moreys.....			Gibbon's Revised.
133		J. I. Morris[1].....			State.
134		Henry Schofield...			Do.
135		John Webster.....			Do.
136		Lee Williams.....			Do.
137	Feb. 15	Harry Compton...	Chihuahua City...	Executed by Huertistas.....	State.
138	Feb. 22	E. M. Harmon....	Madera, Chihuahua.	Murdered by bandits.....	Do.
139	Mar. 6	Gustave Bauch...	Juarez, Chihuahua	Killed by Villistas despite protests of United States.	New York Times, Feb. 19–May 28, 1914.
140	Mar. 15	Oscar Allen.....	Pearson, Chihuahua.	Murdered by bandits.....	State.
141	Mar. 26	Charles Milton....	Cananea, Sonora...	Killed by Huertistas.....	Do.
142	Apr. 6	Juan Coy.....	Monclova, Coahuila.	Killed in bandit attack on town.	Do.
143	Apr. —	Maurice McDonald	S. P. de las Colonias, Coahuila.	Tortured to death by Carranza soldiers.	Gibbon; New York Times, Apr. 23, 1914.
144	...do....	Guy S. Sawyer....	Monterrey.....	Killed by Carrancistas in attack on town.	State.
145	...do....	Mrs. Joseph Smith	——— Mexico.....	Killed by bandits with her child.	New York Times, Apr. 26, 1914.
146	...do....	——— Smith.....	....do.....	Child of Mrs. Smith killed by bandits (cf. No. 145).	Do.
	1916.				
*147	Apr. 27	William Brown...	Matamoros, Tamaulipas.	Kidnapped and killed by Mexican bandits.	State; New York Times, May 3, 1916.
	1917.				
*148	Feb. 15	Hugh Accord.....	X——— Chihuahua.	Kidnapped by bandits and killed with A. P. Peterson and Martin Jensen.	State; War.
*149	...do....	Martin Jensen.....	——— Chihuahua.	Killed with Accord by bandits (cf. No. 148).	State; War; New York Times, Feb. 16, 17, 18, 1917.
*150	...do....	A. P. Peterson....	....do.....	....do.....	Do.
	1910.				
151	.....	——— Chandler...	El Paso, Tex.....	Killed by bullet from across border.	Naparim.
152	.....	——— Griffiths....	....do.....	....do.....	Do.
	1911.				
153	May 9	John Camp.....	....do.....	Killed by bullet from Madero attack on Juarez.	Fall.
154	...do....	Oscar Creighton...	....do.....	....do.....	Fall; Naparim.

[1] May duplicate No. 132.

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INVESTIGATION OF MEXICAN AFFAIRS.

MONDAY, DECEMBER 29, 1919.

UNITED STATES SENATE,
SUBCOMMITTEE ON FOREIGN RELATIONS,
Washington, D. C.

Testimony taken at Washington, D. C., December 29, 1919, by Francis J. Kearful, Esq., in pursuance of an order of the subcommittee of the Committee on Foreign Relations of the Senate:

TESTIMONY OF EDWARD R. SARTWELL.

Mr. KEARFUL. Please state your full name.

Mr. SARTWELL. Edward R. Sartwell.

Mr. KEARFUL. What is your present address?

Mr. SARTWELL. My home address is 217 T Street NE., Washington, D. C.

Mr. KEARFUL. And your business address?

Mr. SARTWELL. My business address is 320 Kellogg Building, Washington, D. C.

Mr. KEARFUL. What is your profession, Mr. Sartwell?

Mr. SARTWELL. At the present time, a publicity agent.

Mr. KEARFUL. With what concern are you connected?

Mr. SARTWELL. I am connected with the National Association for the Protection of American Rights in Mexico, in their Washington office.

Mr. KEARFUL. You have furnished the committee with a map [see opposite page] entitled "Murder Map of Mexico," showing the location of 550 killings of Americans in Mexico and by Mexicans along the American border during four periods covering the period from November 20, 1910, to October, 1919. Will you please explain the theory of this map and how and from what data it was prepared?

Mr. SARTWELL. This map represents by symbols the location and the approximate date of 550 killings of American citizens during the period indicated. The deaths are indicated by four symbols: the first, a triangle, indicates a killing in the period November 20, 1910, to April 24, 1914. This period represents the period of Madero and Huerta control in Mexico; that is, it covers the revolutionary period from the beginning of the Madero revolution to the time that the Vera Cruz incident began the downfall of the Huerta revolutionary government.

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American citizens killed and murdered by Mexicans—Continued.

PERIOD NOVEMBER, 1910, TO APR. 24, 1914—Continued.

CIVILIANS—Continued.

No. on map.	Approximate date.	Name or identification.	Where killed.	Remarks.	References.
155	1912. Sept. 16	Robert Williams..	Phoenix, Ariz.....	Policeman killed by Mexican bandits who crossed line for a celebration; shots aimed at Williams also killed Price Scott.	Gibbon; Fall.
*156	...do....	Price Scott.....	.....do.....	Killed by Mexican bandits with Williams (cf. No. 155).	Do.
157	1913. Feb. 10	John S. H. Howard.	Candelaria, Tex...	Killed by Mexican smugglers.	New York Times, Feb. 19, 1913.
158	Mar. 24	Robert Charlot....	Naco, Ariz.....	Killed by stray bullet from battle for Cananea, Sonora.	New York Times, Mar. 25, 1913.
159	...do....	Pablo Soto.....	.....do.....	.....do.....	Gibbon; New York Times, Mar. 25, 1913.
160	July 17	Unknown.....	Deming-Columbus, N. Mex.	Mail carrier shot from ambush by bandits.	New York Times, July 18-19, 1913.
161	1914. Mar. 15	F. V. Johnston....	Tecate, Lower California.	Postmaster burned to death in store by bandits.	New York Times, Mar. 16-17, 1914.
162	.....	Unknown.....	Naco, Ariz.....	4 Americans killed by shots from across border.	State.
163	.....	.....do.....	.....do.....	.....do.....	Do.
164	.....	.....do.....	.....do.....	.....do.....	Do.
165	.....	.....do.....	.....do.....	.....do.....	Do.

UNITED STATES MILITARY FORCES.

428	1913. Apr. 11	John C. Klesow...	Guaymas, Sonora.	Sailor shot down by Mexican chief of police.	State; New York Times, Apr. 12, 13, 15, 1915.
429	...do....	William W. Corrie.	.....do.....	.....do.....	Do.

PERIOD APR. 24, 1914, TO OCT. 19, 1915.

CIVILIANS.

166	1914. Apr. 25	Weston Burwell..	Ozuluama, Tamaulipas.	Shot down by Huerta officer.	State; New York Times, May 14, 1914.
167	May —	Edward D. Doster	Mexico City.....	Killed by bandits.....	Gibbon.
168	...do.....	—— White.....	Guadalajara, Jalisco.	Killed in bandit raid on mine	New York Times, May 8, 9, 10, 1914.
169	May 8	C. B. Hoadley.....	El Favor Mine, Jalisco.	Killed by rioting mine employees.	New York Times, May 9-19, Dec. 20, 1914.
170	May 9	Peter Higginsberger.	Tixtla, Guerrero...	Higginsberger, Smith, and 4 other Americans killed for resisting Huertista rurales who sought to disarm them.	New York Times, May 10, 1914.
171		J. Smith.....			
172		Unknown.....			
173		....do.....			
174		....do.....			
175		....do.....			
176	May 11	James S. Beard...	Parrar, Coahuila..	Killed by Orozquista rebels despite United States passport.	Gibbon; New York Times, May 12, 1914.
177	May 14	James Crawford...	Panucho, Vera Cruz.	Murdered by bandits.....	State.
178	May 20	Richard Urban...	Nacozari, Sonora..	.....do.....	Do.
179	June 28	Tom Farrell.....	Hermosillo, Sonora.	Killed by Yaqui or Mexican bandits from ambush.	Do.
180	July 1	James Antonio Willis.	Aguascalientes, Aguascalientes.	Disappeared; believed killed by gringo haters.	Naparim.
181	...do.....	Jack Harmon.....	.....do.....	Disappeared with Willis (cf. No. 180).	Do.

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American citizens killed and murdered by Mexicans—Continued.

PERIOD APR. 24, 1914, TO OCT. 19, 1915—Continued.

CIVILIANS—Continued.

No. on map.	Approximate date.	Name or identification.	Where killed.	Remarks.	References.
	1914.				
182	Aug. 6	O. A. L. Squires	La Colorada, Sonora.	Killed for resisting robbery by Yaquis.	State.
183	Aug. 10	John Williams	Vasitos, Sonora	Killed by bandits	Do.
184	Aug. 27	Dr. E. E. Kelly	Navajoa, Sonora	Shot in back by Huertista soldier.	Do.
185	Sept. 21	Edward L. Nixon	Tampico	Stabbed to death by 6 Mexican bandits.	Do.
186	Sept. —	Mel. Warner	Juarez	Murdered for $1,500 in gold which he carried.	Naparim.
187	Oct. 25	E. P. Baker	Parral, Chihuahua.	Executed by Carranza troops after capture of town.	New York Times, Oct. 27, 1914.
188	...do	James Freudenstein.	...do	...do	Do.
189	Nov. 8	William Bishop	Temosachic, Chihuahua.	Dragged to death by wild horses by Perez bandits.	Gibbon; New York Times, Nov. 9, Dec. 5, 1914.
190	...do	Carl Eck (or Eckles).	...do	...do	Gibbon; New York Times, Nov. 9, 1914; Naparim.
191	...do	William Spencer	...do	...do	Gibbon; New York Times, Nov. 9. 1914.
192	Nov. 16	F. C. Chapel	Nogales, Sonora	Shot by Carranza sentry	State.
193	Dec. 29	Herbert Atwater	San Geronimo, Vera Cruz.	Stabbed by Mexican civilian	Do.
194		Lee Baughmann	La Ciemaga Mine, Chihuahua.	Killed by bandits	Naparim.
195		—— King	Tampico	Killed by Carrancistas	Gibbon.
196		Patrick McKinney	Mexico City	Killed by bandits	Do.
197		Mrs. Mallard	Tampico	Killed with her baby by Carranzistas.	Do.
198		Baby Mallard	...do	Killed by Carrancistas (cf. No. 197).	Do.
199		—— Roth	...do	Killed by Carrancistas	Do.
200		—— Wood	...do	...do	Do.
	1915.				
201		Juan Batamia	—— Coahuila	Killed by order of Gen. Blanco.	Gibbon's Revised.
202		Bernard Boley	...do	Killed by bandits	Do.
203		C. B. Hadley	Guadalajara, Jalisco.	Killed by bandits (may be duplicate of No. 169).	Do.
204		Joseph T. San Blas	—— Sinaloa	Killed by Indians	Do.
205		J. P. Smith	—— Coahuila	...do	Do.
206	Jan. 16	Gustavo Hernandez	Rio Bravo, Tamaulipas.	Hanged by Carranza officials.	New York Times Jan. 17, 1915.
207	...do	Francisco Yturrio	...do	...do	Do.
208	Jan. 25	George Saunders	Nacozari, Sonora	Killed by bandits	State.
209	Feb. —	Walter McIntosh	Tampico	Murdered by bandits said to be Carrancistas.	Gibbon; State.
210	...do	C. C. Pottinger	Candelaria, Sonora.	Died of illtreatment by Carranza officials.	Naparim.
211	Feb. 12	Charles Dalrymple	Victoria, Tamaulipas.	Murdered in prison by Huertistas.	State.
212	Feb. 15	V. M. Smith	Mexico City	Killed when he resisted robbery by Carranza troops.	Gibbon; New York Times, Apr. 3, 1915.
213	...do	Roscoe Billins	...do	Killed resisting robbery by Carranza troops.	Do.
214	Feb. 25	Eugene Camera	Lencho Station, Sonora.	Murdered by Yaquis	State.
215	Feb. 27	J. Cervantes	Cerritos, San Luis Potosi.	Executed by Villa commander.	Naparim; Times, Feb. 28–Mar. 1–7, 1915.
216	Mar. 11	John B. McManus	Mexico City	Killed while defending his home from Zapatistas.	State.
217	Apr. 25	Reyes Grijalva	Nogales, Sonora	Shot by Villista policeman	Do.
218	Apr. 27	William M. Reed, jr.	Tampico	Executed by Carranza authorities without trial.	Do.
219	...do	Cassie M. Brown	Los Mochis, Sinaloa.	Killed by Mayo Indians	Do.

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American citizens killed and murdered by Mexicans—Continued.

PERIOD APR. 24, 1914, TO OCT. 19, 1915—Continued.

CIVILIANS—Continued.

No. on map.	Approximate date.	Name or identification.	Where killed.	Remarks.	References.[1]
220	1915. May —	John Smith.....	Tampico.....	John Smith and 5 other Americans killed by bandits in attack on launch in Panuco River.	Gibbon; Times, June 3, 1915.
221		.....			
222		.....			
223		.....			
224		.....			
225		.....			
226	May 11	W. A. Fay.....	Esperanza, Sonora	Killed when Indians attacked American colony.	State; Times, May 14-16, 1915.
227		J. J. Donovan.....			
228		John P. Wilson...			
229		William Stocker...			
230	...do.....	Clarence Fisher...	Saric, Sonora.....	Tortured to death by Villista troops.	New York Times, May 12, 1915.
231	May 15	Isaac R. Ely.....	Ebano, Tamaulipas.	Shot by Villistas in attack on pumping station.	State.
232	May 26	John Gleen Parmenter.	Guadalajara, Jalisco.	Murdered by bandits in robbery.	Do.
233	...do.....	Robert Camp.....	....do.....	.....do.....	New York Times, June 6-23, 1915.
234	...do.....	J. N. Bennett.....	Tampico.....	Killed in Villista attack on launch.	State.
235	June 5	H. S. Ketchum...	Pilares de Nacozari.	Killed by bandits.....	Naparim.
236	June 16	Gilbert Teanhl....	Charcas, San Luis Potosi.	Killed by Mexican civilians.	State.
237	Aug. 7	A. L. Austin.....	Matamoros, Tamaulipas.	Killed by bandits with his son.	Do.
238	...do.....	Charles Austin....	.....do.....	Killed by bandits with his father (cf. No. 237).	Do.
239	Aug. 13	Edw. Freeman Welles.	Vera Cruz Santa Lucretia, Vera Cruz.	Killed by Zapatistas in train robbery.	State. Naparim.
240	Aug. 21	James Jacoby.....	Chihuahua City...	Killed by bandits, said to be Carrancistas.	State.
241	Sept. 5	James E. Taylor...	Pancho, Vera Cruz.	Shot by bandits while defending home.	Do.
242	...do.....	Joseph Tays.....	San Blas, Sinaloa..	Killed in Indian raid on American farm colony.	State; Naparim.
243	Feb. 10	Jesus Sandanel....	Brownsville, Tex.	Shot from across river by Carranza soldiers.	Gibbon.
244	May 22	Gene Hulen.....	Alpine, Tex.....	Killed by raiding Mexican bandits.	Lansing; New York Times, May 30, 1915.
245	...do.....	Joseph Sitters.....	.....do.....	.....do.....	Do.
246	July 5	—— ——.....	Lyford, Tex.....	.....do.....	New York Times, July 6, 7, 1915.
247	...do.....	—— ——.....	.....do.....	.....do.....	Do.
248	July 18	Bryan Doyle.....	Raymondsville, Tex.	.....do.....	New York Times, July 19, 1919.
249	Aug. 14	John Madrid.....	Polvo, Tex.....	.....do.....	New York Times, Aug. 15, 1915.
250	Oct. 18	H. H. Kendall....	Brownsville, Tex..	Killed by bandits in train robbery.	State.
251	...do.....	—— McKane....	.....do.....	Killed by Mexican raiding bandits in train robbery.	Gibbon; New Times, Oct. 19, 20, 1915.
252	—— —	Bonofacio Benivides.	Los Indios, Tex...	Killed by raiding Mexican bandits.	State.
253	Feb. 13	Clemente Vergara.	Piedras Negras, Coah.	Lured across border and tortured by Carrancistas.	Do.
254	Sept. 2	J. S. Smith.....	Matamoros, Tamaulipas.	Kidnapped by raiding Mexican bandits and murdered.	Gibbon; State; New York Times, Sept. 3, 1915.
255	...do.....	Earl Donaldson...	.....do.....	.....do.....	Do.

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American citizens killed and murdered by Mexicans—Continued.

RERIOD APR. 24, 1914, TO OCT. 19, 1915—Continued.

UNITED STATES MILITARY FORCES.

No. on map.	Approximate date.	Name or identification.	Where killed.	Remarks.	References
430	1914. Apr. 21	I. F. Boswell	Vera Cruz, Vera Cruz.	15 United States sailors and marines were killed by Huerta troops and snipers when the United States forces occupied the city of Vera Cruz.	Gibbon: New York Times, Apr. 22-May 5, 1914.
431		G. A. De Fabbio			
432		Francis P. De Lowry.			
433		Frank Devorick			
434		Elzie C. Fisher			
435		Louis Oscar Fried.			
436		E. H. Frohlichstein.			
437		C. R. Herschberger			
438		Dennis J. Lane			
439		George Poinsette			
440		Henry Pullman			
441		John F. Schumacher.			
442		Charles Allen Smith.			
443		Albin Eric Stream			
444		Walter L. Watson.			
445		D. A. Haggerty (Marine Corps).			
446		Samuel Marten (Marine corps).			
447		S. Meisenberg (Marine Corps).			
448		R. E. Percy (Marine Corps).			
449		R. Summerlin (Marine Corps).			
450	May 7	Samuel Parks, U. S. Army.	do	Strayed into Huerta lines, executed and body burned.	State: New York Times, May 9-Nov. 2, 1914.
451	1915. Sept. 24	R. J. Johnson, U. S. Army.	Progreso, Tex	Kidnapped and killed by Carrancista raiders.	New York Times Oct. 28, 29, 30, 1915.
452	1914. Aug. —	——, U. S. Army	Naco, Ariz	Killed by shot from across border.	State.
453	do	do	do	do	Do.
454	Oct. 9	H. Wilson, U. S. Army.	do	do	War.
455	Oct. 17	R. B. Watson, U. S. Army.	do	do	War: New York Times, Apr. 27, 1916.
456	Nov. 27	W. A. Robinson, U. S. Army.	Tecate, Calif	Stabbed in quarrel with Mexican.	New York Times, Nov. 28, 1914.
457	1915. Jan. 29	Wm. Warwick, U. S. Army.	El Paso, Tex	Killed while asleep by shot from across border.	State.
458	Aug. 2	G. R. McGuire, U. S. Army.	Brownsville, Tex.	Killed by raiding Mexican bandits.	War.
459	Aug. 10	L. C. Windhaus, U. S. Army.	Mercedes, Tex	do	War: New York Times, Aug. 7, 1915.
460	Aug. 16	John William, U. S. Army.	Progreso, Tex	Killed by bullet from across border.	War.
461	Oct. 18	A. T. McBee, U. S. Army.	Brownsville, Tex	Killed in train hold-up by raiding Mexican bandits.	War: New York Times, Oct. 19-20, 1915.
462	do	H. E. Moore, U. S. Army.	do	do	War: New York Times, Oct. 25-26, 1915.
463	Sept. 13	H. T. Forney, U. S. Army.	do	Killed by raiding Mexican bandits.	War: Gibbon; New York Times, Sept. 14-15, 1915.
464	do	Anthony Kraft, U. S. Army.	do	do	War.
465	Sept. 24	H. W. Stubblefield, U. S. Army.	Progreso, Tex	Killed by raiding Carrancista bandits.	War Times, Sept. 25, 1915.

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American citizens killed and murdered by Mexicans—Continued.

PERIOD OCT. 19, 1915, TO APR. 7, 1917.

CIVILIANS.

No. on map.	Approximate date.	Name or identification.	Where killed.	Remarks.	References.
	1915.				
256	Oct. 26	Charles Boone	Guzman, Chihuahua.	Killed by Villa soldiers	Gibbon.
257	Nov. 4	Chas. S. Windham.	Quimichis, Tepic	Killed by bandits for having resisted robbery.	State; Naparim.
258	...do	Maurice Free	Bateve, Nayarit	Killed by bandits who killed Windham (cf. No. 257).	State; New York Times, Nov. 17, 1915.
259	...do	Chas. Goldsborough.	...do	Killed by bandits with Maurice Free (cf. No. 258).	Do.
260	Nov. 12	A. N. Harper	Nogales, Sonora	Killed by bandits	Gibbon.
261	...do	Henry Slate	...do	...do	Do.
262	Nov. 20	Edgar B. Bean	Puertecitos, Sonora.	Wantonly killed by Villista commander.	State.
263	Dec. 21	George A. Diepert.	Juarez, Chihuahua.	Killed by stray bullet from Villa-Carranza battle.	Gibbon; State; New York Times, Dec. 22, 1915.
264	Dec. 26	G. L. Hartman	Basaseachic, Chihuahua.	Killed by Villistas	State.
265	.....	Bernard Boley	Raymondsville, Tex.	Killed by bandits	Gibbon; State.
266	.....	—— Dubois	Oaxaquena, Vera Cruz.	...do	Gibbon; Naparim.
267	.....	Charles Jensen	Matamoros, Tamaulipas.	Murdered by bandits	Gibbon; State.
268	.....	C. M. Saule	Canelas-La Mesa (de), Durango.	Killed by bandits	Naparim.
269	.....	Peter Scott	Navajoa, Sonora	...do	State.
270	.....	James L. Warren	Tampico	Murdered by a Carranza colonel.	Gibbon; Lansing.
	1916.				
271	Jan. 5	Bart Cramer	Minaca, Chihuahua	Killed by bandits	State; New York Times, Jan. 15.
272	July 10	Maurice Anderson.	Santa Ysabel, Chihuahua.	18 Americans murdered in cold blood by Villistas who held up train on which the victims were bound to reopen Cusi mines under Carranza safe conduct.	State.
273		Avery H. Couch			
274		John P. Coy			
275		Thomas H. Evans.			
276		Alexander Hall			
277		Herman C. Hase			
278		Thomas Johnson			
279		Richard P. McHatton.			
280		George W. Newman.			
281		W. D. Pearce			
282		Charles A. Pringle.			
283		Ernest L. Robinson.			
284		M. B. Romero			
285		R. H. Simmons			
286		Charles Wadleigh.			
287		W. J. Wallace			
288		Charles R. Watson			
289		J. W. Woom.			
290	Jan. 12	George F. Parsons.	Babicora, Chihuahua.	Killed by bandits	New York Times Jan. 14, 1916.
291	...do	George F. Pearson.	——, Chihuahua.	Executed by Carranza troops under Rodriguez (may be duplicate No. 290).	Gibbon.
292	Jan. 15	Victor Hamilton	Torreon, Coahuila.	Killed by Villistas	Do.
293	...do	Albert F. Simmons	...do	...do	Do.
294	Jan. 21	James Bert Akers.	San Lorenzo, Chihuahua.	Murdered by Mexican cattle thieves.	State.
295	...do	Unknown	Juarez, Chihuahua	Killed by cattle thieves	Do.
296	Feb. 10	Guy Johnson	——, Chihuahua.	Killed by bandits	Gibbon.
297	Mar. 1	E. J. Wright	Colonia Hernandez, Chihuahua.	Killed trying to defend baby and wife, who was carried off by bandits and outraged.	New York Times Mar. 9, 1916, Naparim.
298	...do	Frank Hayden	...do	Killed with Wright defending Mrs. Wright (cf. No. 297).	Do.

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***American citizens killed and murdered by Mexicans*—Continued.**

PERIOD OCT. 19, 1915, TO APR. 7, 1917—Continued.

CIVILIANS—Continued.

No. on map.	Approximate date.	Name or identification.	Where killed.	Remarks.	References.
	1916.				
299	Mar. 1	Edward H. Harris.	Sombrerete, Coahuila.	Killed by bandits	New York Times, Mar. 2, 1916.
300	Mar. —	Unknown	Boca Grande, Chihuahua.	Killed by Villa raiders bound for Columbus raid.	New York Times, Mar. 12, 1916.
301	Mar. 8	James Corbet	Palomas ranch, Chihuahua.	Hanged and mutilated by Villa en route to Columbus.	New York Times, Mar. 9, 10, 24, 1916.
302	...do	James O'Neill	...do	...do	Do.
303	...do	Arthur McKinney	...do	...do	Do.
304	Mar. 27	Lee Lindsley	Minaca, Chihuahua.	Killed by Villistas	State.
305	...do	Frank Woods	...do	...do	State; New York Times, Jan. 1, 14, 17, 27, 1916.
306	Mar. 30	Herman Blankenberg.	——, Chihuahua.	Killed by bandits	Gibbon; Naparim.
307	Apr. 5	Frank Burk	South Rosario, Tepic.	...do	State.
308	...do	Roderick Davidson.	...do	...do	Do.
309	...do	Walter Wallace	...do	...do	Do.
310	Apr. 11	Don McGregor	Minaca, Chihuahua.	Killed by Villistas	Gibbon.
311	May 1	—— Volner	Mazatlan-Rosario, Sinaloa.	Volner and 4 American miners murdered by bandits.	New York Times, May 6, 1916.
312	...do	Unknown	...do	...do	Do.
313	...do	...do	...do	...do	Do.
314	...do	...do	...do	...do	Do.
315	...do	...do	...do	...do	Do.
316	May 2	P. H. Holly	El Rubio, Chihuahua.	Killed by Villistas for serving with Pershing expedition.	State; Naparim.
317	May 21	A. J. Stovall	Tampico district	Shot down by bandit	Do.
318	June 20	A. R. Dixon (Dickson).	Cumpas, Sonora	Killed by bandits trying to escape to United States.	New York Times, June 23, 26, 28, 1916; Naparim.
319	...do	James Parks	...do	...do	Naparim; Times, June 23, 26, 28, 1916; State.
320	June 25	William Robertson.	Nacozari, Sonora	Killed by bandits	New York Times, June 26, 1916.
321	...do	Tom Snyder	...do	...do	Do.
322	Sept. 20	G. W. Morton	Mexico City	Killed by Carranza officer	State.
323	Oct. 29	Dr. Chas. P. Fisher	Santa Rosalia, Chihuahua.	Killed by Villa's order because he refused to deny his American citizenship.	State; New York Times, Nov. 5, 6, 7, 9, 14, 1916.
324	Nov. —	—— Foster	Torreon, Coahuila.	Mutilated and burned at the stake by Villistas.	Gibbon; New York Times, Dec. 8, 1916.
325	Nov. 5	James Juan Weeks	Parral, Chihuahua	Shot down in his home by Villistas.	State.
326 327 328	Nov. 6	Mrs. Arthur Williams. —— Williams (child). Unknown woman.	——, Chihuahua.	Villistas killed Mrs. Williams. Her husband started for the border with their child and another American woman. Both the woman and child were killed by pursuing Villistas.	New York Times, Nov. 8, 1916.
329	Dec. 16	Howard L. Elton	Oaxaca City, Oaxaca.	Executed by Carranza authorities despite United States protest.	State.
330	.....	Donald Bruce	——, Guerrero	Killed by Villistas	Gibbon.
331	.....	Grover V. Varn	——, Durango	...do	Do.
332	"Before 1917."	Ernest Howell	——, Mexico	Murdered; data incomplete	Do.
333	...do	George Anton	...do	Mysteriously disappeared; data incomplete.	Do.
	1917.				
334	Jan. —	Louis D'Antin	San Luis Potosi, San Luis Potosi.	American citizen employed by Mexican Embassy in Washington, mysteriously died while on way to Mexico City with Ambassador Arredondo.	State; New York Times, Jan. 10, 11, 14, 16, 1917.

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American citizens killed and murdered by Mexicans—Continued.

PERIOD OCT 19, 1915, TO APR. 7, 1917—Continued

CIVILIANS—Continued.

No. on map.	Approximate date.	Name or identification.	Where killed.	Remarks.	References.
	1917.				
335	Mar. 1	Lou Ziegler	Magistral, Durango	Killed by Villistas	New York Times; Mar. 16, 1917.
336	...do	C. A. Winn	...do	...do	Do.
337	Mar. 23	J. D. Pilgrim	Chamal, Tamaulipas.	Killed by bandits	State; Naparim.
338	Apr. 1	Francisco Galeann	San Miguel, Guanajuato.	...do	State.
339	Apr.-May	Albert J. Davies	Lower California, Mexico.	Killed by Adrian Corona	Do.
	1916.				
340	Mar. 9	W. A. Davidson	Columbus, N. Mex.	Killed in Villa raid	Gibbon; New York Times, Mar. 10-15, 1916.
341	...do	Harry G. Davis	...do	...do	Do.
342	...do	J. S. Dean	...do	...do	Do.
343	...do	Dr. H. M. Hart	...do	...do	Do.
344	...do	Mrs. Milton James.	...do	...do	Do.
345	...do	C. C. Miller	...do	...do	Do.
346	...do	J. J. Moore	...do	...do	Do.
347	...do	William T. Ritchie	...do	...do	Do.
348	...do	Walton Walker	...do	...do	Do.
349	Mar. 10	Unknown	Osborn Junction, Ariz.	Killed by raiding Mexican bandits.	New York Times, Mar. 11, 12, 1916.
350	Mar. 22	...do	Gibson ranch	2 men and a woman in auto party killed by Villistas.	New York Times, Mar. 25, 1916.
351	...do	...do	...do		
352	...do	...do	...d		
353	May 7	——, Compton	Glen Springs, Tex.	Deaf mute killed by Villistas because he would not answer questions.	Gibbon; New York Times, May 8, 9, 10, 1916.
354	May 11	Curtis Bayles	Mercedes, Tex	Killed by raiding Mexican bandits.	New York Times, May 12, 1916.
355	June 27	William Parker	Hachita, N. Mex.	Killed with his bride of 5 months by Mexican raiders	Gibbon; New York Times, June 26, 1916.
356	...do	Mrs. Wm. Parker.	...do	Killed with her husband (cf. No. 355).	Do.
357	June 31	Robert Wood	Fort Hancock, Tex.	Killed by raiding Mexican bandits.	New York Times, Aug. 1, 1916.

UNITED STATES MILITARY FORCES.

	1915				
466	.....	R. H. Ferguson, U. S. Army.	—— border in United States.	Killed by shot across border.	Fall.
	1916				
467	Feb. 11	—— U. S. Army.	Matamoros, Tamaulipas.	Drowned in fight with Carranza soldiers.	New York Times, Feb. 11, 1916.
468	...do	...do	...do	...do	Do.
469	Apr. 10	H. E. Kirby, U. S. Army.	Lajoya - Santa Cruz, Chihuahua	Killed by Villistas	War.
470	Apr. 12	Jay Richley, U. S. Army.	Parral, Chihuahua	Killed when Mexican residents of town attacked squadron of cavalry approaching on peaceful mission.	War: New York Times, Apr. 12, 1916.
471	...do	R. Ledford, U. S. Army.	...do	...do	Do.
472	...do	Ben. McGhee, U. S. Army.	...do	...do	Do.
473	Apr. 22	O. Bonshee, U. S. Army.	Tomochi, Chihuahua.	One of Dodd's troopers killed by Villistas.	War; State; New York Times, Apr. 27, 1916.
474	...do	R. A. Ray, U. S. Army.	...do	...do	Do.
475	May 18	H. Furman, U. S. Army.	Juarez, Chihuahua	Shot by Carranza officials while tracing lost mules.	State; New York Times, May 1916.
476	May 25	D. Marksbury, U. S. Army.	Cruces, Chihuahua	Killed by Villistas on Pershing expedition.	War; State.
477	June 21	I. M. Laughter, U. S. Army.	Mazatlan, Sinaloa.	Killed by Carranza soldiers who fired on United States launch.	State: New York Times, July 6, 1916.

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American citizens killed and murdered by Mexicans—Continued.

PERIOD OCT. 19, 1915, TO APR. 7, 1917—Continued.

UNITED STATES MILITARY FORCES—Continued.

No. on map.	Approximate date.	Name or identification.	Where killed.	Remarks.	Reference.
	1916.				
478	June 21	Capt. C. T. Boyd, U. S. Army.	Carrizal, Chihuahua.	Officers and troopers of a scouting party of the Pershing expedition, ambushed and killed by Carranza forces.	War; State.
479		Lieut. H. A. Adair, U. S. Army.			
480		James E. Day, U. S. Army.			
481		Will Hines, U. S. Army.			
482		C. Mathews, U. S. Army.			
483		T. C. Moses, U. S. Army.			
484		W. F. Roberts, U. S. Army.			
485		DeWitt Rucker, U. S. Army.			
486		Lee Talbott, U. S. Army.			
487		Wm. Ware, U. S. Army.			
488		Wm. Winrow, U. S. Army.			
489		W. C. Gleaton, U. S. Army.			
490	June 21	Unknown	do	3 additional troopers killed at Carrizal, whose names are not in the War Department casualty lists.	Gibbon; New York Times, June 22-July 15, 1916.
491					
492					
493	Sept. 22	A. J. Watson, U. S. Army.	El Valle, Chihuahua.	Killed by Carranza troops on Pershing expedition.	State; War.
494		Unknown	Along the border	1 officer and 10 men reported killed in action.	War.
495					
496					
497					
498					
499					
500					
501					
502					
503					
504	Mar. 9	J. P. Taylor, U. S. Army.	Columbus, N. Mex.	Killed by raiding Villistas	Do.
505	do	M. A. Hobbs, U. S. Army.	do	do	Do.
506	June 21	Unknown	Carrizal, Chihuahua.	Killed by Carranza troops (may be duplicate No. 492).	State.
	1915.				
507	Oct. 20	Martin Joyce, U. S. Army.	Ojo de Agua, Tex.	Killed by raiding Mexican bandits.	War; New York Times, Oct. 22, 1915.
508	do	H. McConnell, U. S. Army.	do	do	Do.
509	do	E. Shaffer, U. S. Army.	do	do	Do.
510	Nov. 1	H. J. Jones, U. S. Army.	Douglas, Ariz	Killed by Carrancistas firing across the border.	War; New York Times, Nov. 3, 4, 1915.
511	Nov. 26	S. Littles, U. S. Armp.	Nogales, Ariz	do	War; New York Times, Nov. 25, 26, 27, 1915.
	1916.				
512	Mar. 9	T. Butler, U. S. Army.	Columbus, N. Mex.	Killed in Villa raid	War.
513	do	M. A. Dobbs, U. S. Army.	do	do	War; New York Times, Mar. 10, 15, 1916.
514	do	F. A. Griffin, U. S. Army.	do	do	Do.
515	do	F. A. Kindvall, U. S. Army.	do	do	Do.
516	do	J. G. Nievergalt, U. S. Army.	do	do	Do.
517	do	Paul Simon, U. S. Army.	do	do	Do.
518	do	H. E. Wisewell, U. S. Army.	do	do	Do.

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American citizens killed and murdered by Mexicans—Continued.

PERIOD OCT. 19, 1915, TO APR. 7, 1917—Continued.

UNITED STATES MILITARY FORCES—Continued.

No. on map.	Approximate date.	Name or identification.	Where killed.	Remarks.	References.
	1916.				
519	May 7	Wm. Cohen, U. S. Army.	Glenn Springs, Tex.	Killed by raiding Villistas...	War; New York Times, Apr. 8, 9, 10, 1916.
520	...do.....	S. J. Coloe, U. S. Army.	.....do.....	.....do.....	Do.
521	...do.....	H. Rogers, U. S. Army.	.....do.....	.....do.....	Do.
522	June 16	C. Flowers, U. S. Army.	San Ignacio, Tex..	Killed by raiding Mexican bandits.	War; New York Times, June 17, 1916.
523	...do.....	E. C. Katonah, U. S. Army.	.....do.....	.....do.....	Do.
524	...do.....	Jas. Minaden, U. S. Army.	.....do.....	.....do.....	Do.
525	...do.....	Wm. Oberlies, U. S. Army.	.....do.....	.....do.....	Do.
526	July 31	J. J. Twomey, U. S. Army.	Fort Hancock, Tex.	.....do.....	War; New York Times, Aug. 1, 1916.

PERIOD APR. 7, 1917, TO SEPT. 30, 1919.

CIVILIANS.

	1917.				
358	May 10	Henry Bartning...	Bamoa, Sinaloa...	Murdered and robbed.....	State.
359	May 21	Hiram Collins.....	Cananea, Sonora..	Murdered by F. Ezpinoza...	Do.
360	May 22	Robert W. Robertson.	Colonia, Tamaulipas.	Killed but murderer unknown.	State; Naparim.
361	June 11–28.	James E. Landon.	Altamira, Tamaulipas.	Assassinated in plot to steal his estate.	Naparim.
362	Nov. 27	Lincoln L. Wieder.	Atascador, San Luis Potosi.	Killed by Carrancistas.....	State; Naparim.
363	Dec. —	Leo Sharp.....	Piedras Negras, Coahuila.	Killed by Mexican cattle thieves.	State; New York Times, Dec. 29, 1917.
364	...do.....	Clarence Sellers...	.....do.....	.....do.....	Do.
365	Dec. 6	Lee Rasmussen...	Esperanza, Sonora.	Killed by Yaqui Indians....	State.
	1918.				
366	Jan. 3	Miguel Martinez...	Empalme, Sonora.	Killed when Yaqui Indians held up train and massacred passengers.	New York Times, Jan. 4, 1918.
367	...do.....	Henderson G. Poe.	.....do.....	Killed by Yaqui with Martinez (Cf. No. 365).	State; New York Times, Jan. 4, 1918.
368	...do.....	Ralph H. Snovall..	.....do.....	.....do.....	State.
369	Dec. 21	John M. Franklin.	Cabo Rojo I., Tamaulipas.	Killed by bandits.....	State; Naparim.
370	...do.....	W. H. Rose.....	.....do.....	.....do.....	Do.
371	Feb. 10	Richard Rushworth.	Mexico City.....	.....do.....	State.
372	Feb. 21	Edgar House.....	Chijol Canal, Tamaulipas.	Oil paymaster, killed by bandits.	State; Naparim.
373	Mar. —	Fred Tate.....	Brownsville, Tex..	Shot and killed by smugglers	War.
374	Mar. 16	A. D. Archuleta...	Pilares, Chihuahua	Killed at his mine.....	Naparim.
375	Mar. 24	Clara Castillo.....	Neville's Ranch, Texas.	Killed by raiding Mexican bandits.	War.
376	Apr. 5	M. P. Dollar.....	Tampico, Tamaulipas.	Killed by Mexicans at instigation of Germans.	State.
377	...do.....	Leonard Loris.....	.....do.....	.....do.....	Do.
378	May 30	Gustave A. Whiteford.	Las Cardas, Nayarit.	Killed by bandits after full ransom paid; incident of German plot to distract United States during war.	State; Naparim
	1917.				
379	June 29	H. M. Cooper.....	Prieto Terminal, Tamaulipas.	Killed by bandits who raided oil station.	Do.
380	...do.....	L. A. Dunn.....	.....do.....	.....do.....	Do.
381	...do.....	Alfred E. Esparola	.....do.....	.....do.....	Do.
382	...do.....	L. R. Millard.....	.....do.....	.....do.....	Do.
	1918.				
383	July 10	Byron E. Janes...	El Tigre, Sonora..	Killed by Pedro Carbajal....	War; State.
384	July 13	Thomas Kingsbury.	—— Chihuahua.	Disappeared, believed killed by bandits.	Naparim.

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American citizens killed and murdered by Mexicans—Continued.

PERIOD APR. 7, 1917, TO SEPT. 30, 1919—Continued.

CIVILIANS—Continued.

No on map.	Approximate date.	Name or identification.	Where killed.	Remarks.	Reference.
	1918.				
385	July 24	Unknown	Tampico	Porto Rican pipe line foreman killed by bandits.	Naparim.
386	July 31	Albert W. Stevenson.	.....do	Shot by bandits while opening safe at their demand.	State; Naparim.
387	Aug. 10	Samuel Brooks	Ensenada, Tamaulipas.	Killed by bandits	State.
388	Aug. 12	Earl G. Austin	Nacozari, Sonora	Killed at his mine by bandits	State; Naparim.
389	Aug. 27	Gaston Reddoch	Nogales, Ariz	Killed by Mexican Federal troops.	War.
390	Aug. 31	S. Austin	Tuxpam, Tamaulipas.	Killed by a robber	State.
391	Sept. 18	Benj. B. Weller	Tampico	Killed by Carranza captain	Do.
392	Nov. 21	Christian Heimsath.	Valles, San Luis Potosi.	Killed by bandits	State; Naparim.
393	Oct. 11	E. Timberlake	Brownsville, Tex	Killed by a Mexican smuggler.	War.
394	Oct. 14	Harlow C. McLeod	Mexico City	Killed by A. Alvarez	State.
395	Oct. 18	George Skinner	Estancia, Mexico	Killed by bandits	Do.
396	Nov. 8	Jim Perkins	Fabens, Tex	Killed by unknown Mexican.	War.
397	Nov. 13	Mrs. W. H. Keenright.	——— Chiapas	Starved to death while held prisoner by Zapatistas with daughter and son-in-law, Dr. and Mrs. Sturgis.	Naparim.
398	Nov. 22	William W. Blood.	Vera Cruz, Vera Cruz.	Killed by robbers	State.
399	Dec. 15	Alfonso Leiva	Agua Prieta, Sonora.	Killed by Carranza authority.	Do.
400	.....	Unknown	——— San Luis Potosi.	Killed by Carrancistas	New York Times Aug. 27, 1918.
	1919.				
401	Jan. 17	Toribio Rodriguez.	Ranchito, Mexico.	Killed by bandits who claimed to be river guards.	War.
402	Mar. 15	Oscar Wallace	Progreso, Coahuila	Killed by Carrancista major and 2 other Mexicans.	State; Naparim.
403	Apr. 8	Edward E. Morgan	Chivela Estate, Oaxacala.	Murdered by bandits	Do.
404	Apr. 12	Clarence Childers	El Paso, Tex	Immigration inspector killed by Mexican smugglers.	War.
405	Apr. 18	Edward L. Defourcq.	Teziutlan, Puebla.	Killed by Zapatistas	State; Naparim.
406	Apr. 28	Frank P. Gorham	Chamal, Tamaulipas.	Cut to pieces by bandits	Do.
407	May —	Wm. Devote (Tovote).	Batuco, Sonora	Killed by Yaquis	Do.
408	May 8	Ira W. Hill	Near Laredo, Tex.	Killed by Mexican smugglers.	War.
409	...do	Charles L. Hopkins.	.....do	.....do	Do.
410	May 22	H. S. White	La Cercada, Sonora	Shot from ambush by bandits.	State; Naparim.
411	June 1	Miguel Otto	.....do	Mutilated and killed by Yaquis.	Naparim.
412	June 15	Floyd Hinton	El Paso, Tex	Killed by shots from across border.	War.
413	...do	Ed. F. McClaren	Juarez, Chihuahua	Killed by Villistas	State; Naparim.
414	June 16	John W. Correll	Colonia, Tamaulipas.	Killed by bandits said to be Carrancistas when he tried to protect his wife from outrage.	Do.
415	July 1	Leroy Moye	Tampico	Killed by bandits thought to be Carrancista soldiers who raided oil camp.	Do.
416	July 4	Hiram Hughes	.....do	Killed by Carranza policeman.	Do.
417	July 7	Peter Catron	Valles, San Luis Potosi.	Killed by bandits affiliated with Carrancistas.	Do.
418	July 22	Unknown	Paredon, Puebla	American girl kidnapped from train by rebels and repeatedly outraged until she died.	Do.
419	July 31	R. A. Cunningham.	La Paloma, near Matamoros, Mexico.	Killed by unknown bandits.	War.
420	Aug. 28	Adam Schaefer	Pinos, Zacatecas	Killed by bandits	Naparim
421	Aug. 30	H. S. McGill	Coapa, Chiapas	Shot from ambush by bandits.	Do.

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American citizens killed and murdered by Mexicans—Continued.

PERIOD APR. 7 TO SEPT. 30, 1919—Continued.

CIVILIANS—Continued.

No. on map.	Approximate date.	Name or identification.	Where killed.	Remarks.	References.
	1919.				
422	Sept. 2	A. P. Hennessey	La Colorada, Sonora.	Shot from ambush by Yaquis.	New York Times, Sept. 5, 1919.
	1917.				
423	Dec. 25	Michael Welch	Candelaria, Tex	Killed by raiding Mexican bandits.	New York Times, Dec. 26, 1917; Naparim.
424	Dec. 29	Gordon Parmalee	Llano Grande, Tex.	do	War; New York Times, Dec. 30, 1917.
	1918.				
425	Mar. 5	Ulysses Meek	Esperanza, Sonora	Killed by Mexican troops	State.
426	Aug. 27	Gaston Reddick	Nogales, Ariz	Killed by Mexican mob (may be duplicate No. 389).	New York Times, Aug. 28, 29, 30, 1918.
427	Dec. 28	Glenn Neville	Valentine, Tex	Killed by raiding Mexican bandits.	New York Times, Mar. 30, 1918; Naparim.

UNITED STATES MILITARY FORCES.

	1917.				
527	Dec. 26	Unknown	——, Chihuahua.	Killed in pursuit of raiding Mexican bandits.	New York Times, Dec. 27, 1917.
528	Dec. 2	A. A. Riggs, U. S. Army.	Buena Vista, Chihuahua.	do	War; New York Times, Dec. 3, 4, 1917.
	1918.				
529	June 9	Lieut. D. J. Chaille, U. S. Army.	Matamoros, Tamaulipas.	Killed by Carranza soldiers	State; New York Times, June 11, 1918.
530	Jan. 8	— McGuigan, U. S. Army.	La Grulla, Chihuahua.	Killed pursuing raiding Mexican bandits.	State.
531	Mar. —	J. D. Blount, U. S. Army.	Juarez, Chihuahua	Assassinated by Mexican	Do.
532	Dec. 28	T. K. Albert, U. S. Army.	Pilares, Chihuahua	Killed pursuing Mexican raiding bandits.	War; State.
	1917.				
533		Unknown	Along the border	Soldier reported killed in action.	War.
534		do	do	do	Do.
535		do	do	do	Do.
536		do	do	do	Do.
537		do	do	do	Do.
538		do	do	do	Do.
539		do	do	do	Do.
540		do	do	do	Do.
541		do	do	do	Do.
	1918.				
542	Aug. 27	J. D. Hungerford (captain, U. S. Army).	Nogales, Ariz	Killed by Mexican mob	New York Times, Aug. 28, 29, 30, 1918; Naparim.
543	Dec. 27	David Troib, U. S. Army.	El Paso, Tex	Killed by Carranza lieutenant.	War; State; New York Times, Sept. 13, 1919.
544	Apr. 15	T. F. Atchinson, U. S. Army.	——, Tex	Shot by Carranza major across the border.	War.
545	Aug. 27	Luke W. Loftus	Nogales, Ariz	Killed in skirmish with Mexican Federal troops.	Do.
546	do	Bernard Lots	do	do	Do.
547	do	Frank L. Whitworth.	do	do	Do.
	1919.				
548	June 15	Sam Tusco	El Paso	Killed by shots from across the border.	Do.
549	Aug. 21	Lieut. C. H. Connelly, U. S. Army.	Bahia Los Angeles, Lower California.	Murdered and robbed by Mexicans when dying of starvation after losing his way on aeroplane border patrol.	New York Times, Oct. 3, 1919; War.
550	do	Lieut. F. B. Waterhouse, U. S. Army.	do	Killed with Connelly (cf. 549).	Do.

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American citizens killed and murdered by Mexicans—Continued.

RECAPITULATION.

Recapitulation of index map accounting for the killing of 550 Americans, soldiers and civilians, in Mexico and by Mexicans on the American side of the United States-Mexican border, between November 20, 1910, and September 30, 1919.

	Americans killed by Mexicans—				
	In Mexico.		In the United States.		Total.
	Civilians.	United States military forces.	Civilians.	United States military forces.	
First period, 41 months, from November 1910, to April, 1914—Madero-Huerta period of responsibility.	* 143	2	18	.....	167
Second, third and fourth periods, 53 months, April, 1914, to October, 1919—period of Carranza responsibility	277	21	12	13	.....
	* 387	28	19	33	.....
	458	8	12	16	.....
Total	222	57	44	64	383
Grand total	365	59	[1] 62	64	550

*** Nos. 147, 148, 149, and 150, carrying a first-period symbol and tabulated in the first period, should appear with third-period symbols and be tabulated in the third-period group.**

[1] Includes 4 cases of Americans kidnapped in the United States and murdered in Mexico.

NOTES.

[Authorities.]

Gibbon: Mexico Under Carranza, by Thomas E. Gibbon, 1919, p. 248, et seq.

Gibbon revised: Revised list prepared by Thomas E. Gibbon.

Fall: List of Americans killed in Mexico read in the Senate by Hon. Albert B. Fall, of New Mexico, Mar. 9, 1914.

State: This reference includes the three following lists. In some instances murders attributed to "State" appear on two or all of these lists: List prepared in the United States Department of State and printed in Senate Document No. 324, Sixty-fourth Congress, first session, Feb. 17, 1916; list prepared in the United States Department of State and printed in Senate Document No. 67, Sixty-sixth Congress, first session, July 31, 1919; list prepared in the Department of State and submitted to the House Committee on Rules by Hon. Henry P. Fletcher, United States Ambassador to Mexico, July 22, 1919. Cf. Part I, printed hearings on House Joint Resolution 124, Sixty-sixth Congress, first session.

War: Casualty lists of War Department covering entire period excepting between Oct. 1, 1916, and Feb. 14, 1917.

New York Times: Information in the New York Times (newspaper) in dates indicated in the tabulation.

Naparim: Letters, claims, and other information of a specific character in the files of the National Association for the Protection of American Rights in Mexico, 347 Fifth Avenue, New York City.

One officer and 20 enlisted men, carried without names, and not included in the War Department casualty lists, are referred to in the report of The Adjutant General of the Army, 1917. They are presumed to have been killed in the period Oct. 1, 1916, to Feb. 14, 1917, for which no more specific information as to Army Mexican casualties is available.

Apx: Accompanying symbol or group of symbols indicates that the cartographer was unable to more than approximate the locality in the State in which the murder was committed.

There are indexed on the map five murders which may be duplications. In each of these cases the possible duplication is indicated in an accompanying note.

Mr. KEARFUL. Have you more complete data than that which is shown on the tabulation which you can leave with the committee for the purpose of verification if necessary?

Mr. SARTWELL. The tabulation was made up from a loose-leaf index compiled from the various lists which I have mentioned. This index is in somewhat more complete and extended form than the tabulation which I have placed in the record. It shows as to each

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case the name of the victim, the number as shown in the tabulation, the location of the killing, the date approximately, and wherever possible the person or persons responsible for the killing. It also shows in each case the list or lists which are authority for each killing. In many cases this loose-leaf index gives a rather complete account of the killing and of the circumstances surrounding it.

Mr. KEARFUL. What information have you with reference to killings occurring since the date when the map was completed?

Mr. SARTWELL. Since the map was completed we have come into possession of information as to the death of Eugene Lack at El Centro, Calif., November 18, 1919, after he had been shot by a Mexican policeman at Mexicali, just across the border in Mexico. This brought the death list up to 551.

Mr. KEARFUL. What, if anything further, have you to say in explanation of the matters to which you have heretofore testified that would be of interest?

Mr. SARTWELL. In 3 of the 550 cases listed on the map the authorities cited reported the punishment of those charged with the murder. For the murder of Mrs. Anderson, her daugher, and an American boy in Chihuahua on June 22, 1911, the murderers served six months in prison and were then released.

The Madero authorities executed two Mexicans for the murder of W. H. Waite, who was killed at Ochotal, Vera Cruz, on April 4, 1912. A Huerta lieutenant and sergeant were reported executed for the killing of Frank Smith at Tampico on January 26, 1914.

The map shows the killings of 18 American women and 10 American children. Thirteen American men are listed as having been killed in their efforts to protect women.

In connection with the deaths listed 8 American women, according to the authorities cited, were outraged.

Mr. KEARFUL. Were any punishments visited upon the perpetrators of these murders and outrages during the period covering the régime of Carranza?

Mr. SARTWELL. None. The three cases where punishments were reported were prior to January 26, 1914.

There is one significant incident shown on the map. On May 30, 1918, Gustave A. Whiteford, an American citizen, was killed, presumably by bandits, in the State of Nayarit. He was carried off and held for ransom, and a finger cut off from one of his hands was sent to his friends with the demand for money. Repeated attempts were made to steal the ransom payments which were delivered to the bandits by his friends, and Whiteford was finally murdered in cold blood after the ransom had been paid in full. The authorities cited declare that the whole Whiteford incident was planned by German alien enemies who sought to hamper or distract the United States in its prosecution of the World War. The story of Whiteford's death was suppressed in the United States while the World War was on.

Mr. KEARFUL. By whom was it suppressed?

Mr. SARTWELL. It was suppressed by the Committee on Public Information, which at that time was in charge of all publicity matters for the Government—at the request of the Committee on Public Information under the voluntary censorship agreement with the press of the United States.

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It might be said that in numerous instances the murders were attended by great brutality and in many cases by torture and mutilation as, for instance, William Bishop, Carl Eck, and William Spencer, who were killed by bandits under Jose Perez at Temosachic, Chihuahua, in 1914, were dragged to death by wild horses.

John Glenn Parmenter at Guadalajara, Jalisco, was murdered by bandits who, after killing him, tore his teeth from his head to secure the gold fillings.

Maurice McDonald, an American soldier of fortune who was with Villa, was captured by Carrancistas at San Pedro de las Colonias, Coahuila, in April, 1914. The soles of his feet were cut off and he was forced to walk about the plaza. He was then burned at the stake until his legs had been completely consumed. Finally he was shot.

In many instances the men killed carried American passports and in various instances men were killed after the United States learning that they were held by Mexican factions or bandits had protested against their detention.

When James S. Beard was captured by Mexican revolutionists under Gen. Benjamin Argumedo at Parras, Coahuila, May 11, 1914, he produced his American passport. Argumedo ordered the passport pinned to Beard's breast and used as mark by the firing squad that executed him on the spot.

In many cases the authorities cited assert that the men were killed because they were Americans or because the murderer wished to show that he could kill an American with impunity.

Mr. KEARFUL. I understand you have not included in this list the murders of the nationals of any other country than the United States?

Mr. SARTWELL. That is correct. The list includes only nationals of the United States in cases where the nationality could be clearly and plainly established.

Mr. KEARFUL. In that connection for the record I will quote from a report by Secretary Lansing, dated December 3, 1919, to the President and submitted by the President to the Senate (S. Doc. No. 165, 66th Cong., 2d sess.), in which Secretary Lansing states that—

> The number of nationals of other countries than the United States who have been killed in Mexico since President Diaz resigned, as gathered from reports of the representatives of this Government in Mexico, is 927, as follows: Chinese, 471; Spanish, 209; Arabs, 111; British, 38; Italian, 16; French, 14; Japanese, 10; miscellaneous, 58.

In this connection it is of interest to note the large number of Chinese and Americans killed and the small number of British, French, and Japanese, and also that no Germans are reported to have been killed.

For the record I also will quote from a letter from the Acting Secretary of State to the chairman of this committee, dated October 31, 1919, in which he says:

> I have the honor to inform you that reports received by this department from all the consulates in Mexico show that approximately 31,707 American citizens were in Mexico when President Diaz retired from the presidency of that country, and that approximately 8,862 American citizens were in Mexico in September, 1919.

Is there anything further, Mr. Sartwell?

Mr. SARTWELL. There is one question of the War Department casualty list of officers and men killed on the border that might be

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cleared up. The casualty lists do not list men apparently who were killed on the border or in Mexico between the dates October 1, 1916, and February 14, 1917, but on inquiry at the War Department our association discovered that The Adjutant General's office report for August, 1917, showed 1 officer and 20 enlisted men killed during the period from July 1, 1916, to June 30, 1917. These 21 unnamed members of the military forces have been included on the map and may be in some part duplications. They rest, however, upon the authority of a letter to the association from R. I. McKenney, lieutenant colonel of the General Staff, dated August 22, 1919.

I want to say that this material has all been submitted to the State Department for the information of the department.

Is there anything else you want to ask?

Mr. KEARFUL. I think not. We are much obliged to you.

(Witness excused.)

STATEMENT OF WILLIAM J. McGAVOCK.

Mr. KEARFUL. Will you state your full name?

Mr. McGAVOCK. William J. McGavock.

Mr. KEARFUL. How old are you?

Mr. McGAVOCK. Seventy.

Mr. KEARFUL. How long have you been acquainted with Mexico?

Mr. McGAVOCK. Since 1881.

Mr. KEARFUL. What was your business in Mexico?

Mr. McGAVOCK. Railroad contractor.

Mr. KEARFUL. In what parts of the country?

Mr. McGAVOCK. Why, pretty much all over it. I commenced first at Laredo, then to Monterrey, and up the Tampico branch of the Central, then as far down as the Isthmus of Tehuantepec.

Mr. KEARFUL. Are you one of those American citizens about whom we have often heard who went to Mexico for the purpose of exploiting the Mexican peons?

Mr. McGAVOCK. I suppose I am.

Mr. KEARFUL. We have sometimes heard from high official quarters that Americans operating in Mexico were not entitled to the protection of this Government or to any special consideration, because they went to that country and were engaged in exploiting the natives of that country to the detriment of the natives and for their own particular benefits. What can you say on that subject?

Mr. McGAVOCK. Well, my idea is that we were there to build it up and not exploit them—build up their country. We built their railroads, and we opened their mines—a great many of them—introduced the modern improvements in the mines there.

Mr. KEARFUL. According to your observation, what has been the effect upon the laboring classes of Mexico of the enterprise of Americans and other foreign capitalists who operated there?

Mr. McGAVOCK. When I first went to Mexico the Mexican peons on the haciendas were being paid from 1½ reales to 3 reales (real= 12½ cents) a day, and now they are getting from $2.50 to $3 a day; that is, in parts of the country; that is, the parts exploited by Americans. In their tobacco district they are paying $3 a day to-day.

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Mr. KEARFUL. What, if any, material progress have you noted among the Mexicans due to the operations of foreign enterprise in Mexico?

Mr. McGAVOCK. The peon classes are very much improved over what they originally were; they live better, and they dress better, and they have some education; they have been able to send their children to school, being able to make more money, and not having to work their children when they are too young.

Mr. KEARFUL. What is the attitude of the laboring classes toward American and other foreign operators in Mexico as compared with their attitude toward Mexicans by whom they are employed?

Mr. McGAVOCK. Very favorable to the Americans.

Mr. KEARFUL. Do they prefer to work for Americans than for their own people?

Mr. McGAVOCK. They prefer to work for Americans.

Mr. KEARFUL. Did you ever hear of any complaints made by Mexicans as to the treatment accorded to Mexicans by American employers?

Mr. McGAVOCK. I never did.

Mr. KEARFUL. Did you never hear complaints by Mexicans that Americans treated their employees too well and gave them too much liberty?

Mr. McGAVOCK. Yes; I have heard something of that, that they objected to them treating them so well and raising their wages. In fact, the hacendados were very much opposed to our building railroads there for that very reason. We paid the peons better wages and got them away from the haciendas.

I suppose you know when peonage was abolished by the constitution they had a labor law that they could hold them for debt, which amounted to the same thing as peonage. As long as a man was in debt to his employer he was a peon.

Mr. KEARFUL. And the idea is when the Americans came in and gave them an opportunity to get out of debt they could release themselves from this peonage system?

Mr. McGAVOCK. Yes, sir.

Mr. KEARFUL. And that actually happened?

Mr. McGAVOCK. And that actually happened in a great many instances.

Mr. KEARFUL. How long has it been since you were in Mexico?

Mr. McGAVOCK. I left there on the 24th of November, 1919, I guess it was.

Mr. KEARFUL. I have here a propaganda pamphlet very recently issued by the League of Free Nations Association, of New York City, which contains among other things a letter to the Evening Post, dated November 26, 1919, by G. B. Winton, a minister of the gospel, who says:

> I spent this recent October in Mexico. The country is prosperous and at peace.

And again:

> On the basis of personal knowledge I assert again that Mexico is prosperous, and, except in a few retired and unimportant sections, peaceful.

What can you say with reference to the assertion that the country is prosperous and at peace?

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Mr. McGavock. It is not true; it is neither prosperous nor at peace.

Mr. Kearful. What portion of Mexico has recently come under your observation in reference to that point?

Mr. McGavock. The State of Chiapas and the State of Mexico.

Mr. Kearful. Please give a description of the conditions in Mexico as you observed them, with reference to the state of prosperity and peace.

Mr. McGavock. Shall I state about Chiapas first?

Mr. Kearful. If you please.

Mr. McGavock. As there are very few Americans there it will probably be more interesting to you. I got to Jalisco on the Pan American Road on the 1st of November, 1917. I wanted to go into the interior to Tuxtla Gutierrez, but they would not let me leave until an escort went with the mail. I stayed four days in Jalisco for the escort and we started out at noon on the 4th of November. That night we camped with the escort. By the way, we all went in oxcarts. I was going to buy a horse there to ride through but I was advised not to do so as the rebels might take it away from me, so we went in oxcarts. With the escort I counted 83 oxcarts, some loaded and some empty; principally loaded.

The second night we camped again with the escort but many of the carts, especially the heavily loaded ones, were scattered out probably for 10 miles back and only a few of us kept up with the escort. At 11.40 at night the carters woke us up and said that the escort had left. We got a cup of coffee and left as quick as we could after the escort, but we never overtook them and we traveled all night, leaving the direct road and taking a cut-off, and at 9 o'clock in a little town where we spent the day we got a report that the carts had been held up and robbed behind us and behind the escort. The escort got through and we got through without being molested, but there were 39 of the carts robbed of all their goods. The bandits had a pack train and packed away all the goods they could.

From Jalisco to Tuxtla Gutierrez is 132 kilometers through a very rich country. The first day after crossing a range of mountains we got into very beautiful valleys which were highly cultivated and very rich. Every 4 or 5 miles there would be a big hacienda with probably 50 to 100 peon houses, a fine hacienda residence and peon houses all well built and all tile roofed, but we found every one deserted. Occasionally there would be one or two peon families in some of the houses, but the owners were all gone, every one of them.

Mr. Kearful. What was the condition of the houses?

Mr. McGavock. The houses were not destroyed. The furniture was taken but the houses themselves were not destroyed.

Mr. Kearful. What was the condition of the fields?

Mr. McGavock. The fields were none of them cultivated. There were a good many fields of henequen there gone to seed, the stalks were growing up 30 or 40 feet high.

Mr. Kearful. Henequen is a crop which needs constant attention and careful cutting in order to get the best results?

Mr. McGavock. Yes; it has to be cut at the proper time. Three years previous to that the Chiapanecos had not been in revolution at all; they did not join the Madero revolution or the Huerta revolution; they went on and paid their taxes and attended to their busi-

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ness and, in fact, they do not consider themselves real Mexicans, but Chiapanecos. They were an independent State at one time and they never amalgamated freely with the Mexicans. I have heard many of them say they were not Mexicans, they were Chiapanecos.

Carranza sent an army down there of 3,000 or 4,000 men, raided these haciendas, drove the hacendados into the mountains, afterwards caught some of them, and some they hung and some they shot, which drove their friends into revolution. When they reached Tuxtla Gutierrez the first thing they did was to tear down the church. There was a beautiful church on the plaza. They tore off the roof and tore out one side. They desecrated the churches in the other large cities, but did not tear them down, I understand. In that way they drove all the people to revolution. But the trouble with them is they don't act in harmony. There are three or four different bands there. If they would join together, they could very soon drive the Carrancistas out, but they don't. There are three or four different bands there operating separately. There is one leader there—Caly Mayor—who took an American dentist—Dr. Carl Sturgis—prisoner while I was down there; took him and his wife and mother-in-law, Americans, and I understood from a Frenchman who had met them that they were from Virginia, but that I am not sure of. I understand he first tortured them; he thought they had some hidden money; tried to make them give up the money, and afterwards took them to camp. The first day they walked them on foot and they gave out, and the second day they gave them some old horses to ride and took them to their camp, and, as far as I know, Sturgis is there yet. I saw a small article in a paper some months ago that Mrs. Sturgis had got away and was on her way to the States, and had reported that her mother had died of starvation and deprivation in the camp and her husband was still there.

Mr. KEARFUL. Mrs. Sturgis is here in Washington and will appear before the committee.

Mr. MCGAVOCK. She is here?

Mr. KEARFUL. Yes. What condition did you observe in the City of Mexico?

Mr. MCGAVOCK. In Mexico City everything is quiet and apparently normal there. One in the city would not realize there was any trouble. The people act there in the natural way.

Mr. KEARFUL. What sort of business is being conducted in Mexico City?

Mr. MCGAVOCK. The usual business, on a small scale.

Mr. KEARFUL. Is it the sort of business that is necessary to supply the needs of the inhabitants?

Mr. MCGAVOCK. Supply the needs of the people, that is all; yes.

Mr. KEARFUL. Is there a large population in Mexico City now?

Mr. MCGAVOCK. Very large.

Mr. KEARFUL. What is the reason for that?

Mr. MCGAVOCK. People coming in from the haciendas and the small towns. In fact, nearly all the best people of Chiapas are up there. Nearly all the hacendados have moved their families to the City of Mexico.

Mr. KEARFUL. Is that because of lack of protection in the outlying districts?

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Mr. McGavock. Because of lack of protection on the haciendas and in the small towns they flocked to Mexico City for protection. The population is about double the normal.

Mr. Kearful. These refugees from the outlying districts are not engaged in any business in Mexico City, are they?

Mr. McGavock. No, sir; just living there. That makes business very good for many of the retail houses there, because they have all got money.

Mr. Kearful. We frequently hear that American capitalists and American interests in Mexico have engaged in a conspiracy to force armed intervention in Mexico by the United States. Have you had occasion to note the sentiments of Americans operating in Mexico with reference to intervention by this country? If so, please state what you have observed.

Mr. McGavock. The majority of Americans in Mexico, in my opinion, would rather see some settlement without intervention if it can be done. They do not want intervention. If matters can be settled in any other way they do not want intervention, but few of us can see how they are going to settle it without intervention.

Mr. Kearful. What is your opinion as to the method of settlement that will be necessary?

Mr. McGavock. My opinion is it never can be settled without intervention.

Mr. Kearful. When you say intervention, just what do you mean?

Mr. McGavock. Well, I mean intervention by the United States or by a combination of powers; armed intervention.

Mr. Kearful. Do you mean that it will be necessary to take over the country and establish peace and order and effective and stable government by the Mexicans?

Mr. McGavock. I believe what should be done, what eventually will be done, that the United States, or the United States combined with the allied countries, will send forces in there and do somewhat like they did in Cuba, settle the country; settle the bandit question first, which could be easily done now. With our aeroplanes and everything of that kind we can soon rout out the bandits that used to hide in the mountains and give so much trouble. But the only thing those people would respect is strength, and you have got to show them the strength before you can ever conquer them.

Mr. Kearful. What do you find the feeling to be among Mexicans by reason of the policy of this Government in failing to protect its citizens in Mexico?

Mr. McGovack. Well, the upper class of Mexicans are very anxious for intervention.

Mr. Kearful. Did you find any feeling of hostility toward Americans among Mexicans in general, and, if so, to what was that due?

Mr. McGavock. The resentment against Americans in general was due to the intervention of the United States, armed intervention, as far as it went, and no good only to aggravate the people; the landing at Vera Cruz and the Pershing expedition into Mexico. It only aggravated the people and made them very bitter toward Americans. Up to the time of the Vera Cruz incident there was no personal feeling—there has always been a general feeling against the Americans ever since the war of 1847, but individual feeling, no.

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Mr. KEARFUL. How do you account for the sentiment among the better class of Mexicans in favor of intervention?

Mr. McGAVOCK. Why, they fail to see where they can ever get a stable government from the people that are now armed in Mexico. You understand there is a very small per cent of the Mexicans there controlling the country.

Mr. KEARFUL. What class of Mexicans is it that controls the country?

Mr. McGAVOCK. Well, it is what you might call the middle class, those with a little education but not much as a rule.

Mr. KEARFUL. Are they the best class in Mexico?

Mr. McGAVOCK. By no means.

Mr. KEARFUL. Why is it, if you know, that the better class of Mexicans have not been able to control the country?

Mr. McGAVOCK. Well, that is a very hard question to answer. In the beginning, those that control the army control the country.

Mr. KEARFUL. Do you think that the American support of Villa and Carranza had anything to do with it?

Mr. McGAVOCK. No; I don't think so. If it had not been them it would have been somebody else. You must consider that Mexico now is in a normal condition; it was abnormal during the time of Diaz. They had peace during thirty-odd years, but prior to Diaz's time in 60 years they had 61 Presidents and 2 Emperors. I believe that is the record and they are trying to break it now and they certainly will if this condition lasts for another 50 years.

Mr. KEARFUL. You do not consider it likely that another régime such as that of Porfirio Diaz might be established in Mexico?

Mr. McGAVOCK. It might be possible that another man would appear like Porfirio Diaz, but it took a long time to find him—about 400 years. And even if Porfirio Diaz lived to-day it might be very hard for him to control it, because the conditions are so different than they were in his day.

Mr. KEARFUL. Is there anything further of interest that you think of?

Mr. McGAVOCK. No; I do not think of anything.

Mr. KEARFUL. We are very much obliged to you.

(Whereupon, at 3.25 o'clock p. m. the committee adjourned to Tuesday, December 30, 1919, at 11 o'clock a. m.)

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INVESTIGATION OF MEXICAN AFFAIRS.

TUESDAY, DECEMBER 30, 1919.

UNITED STATES SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON FOREIGN RELATIONS,
Washington, D. C.

Testimony taken at Washington, D. C., December 30, 1919, by Francis J. Kearful, Esq., in pursuance of an order of the subcommittee of the Committee on Foreign Relations of the Senate:

TESTIMONY OF MICHAEL J. SMITH.

Mr. KEARFUL. Please state your full name.

Mr. SMITH. Michael J. Smith.

Mr. KEARFUL. What is your present address?

Mr. SMITH. 27 Cedar Street, New York.

Mr. KEARFUL. What is your business?

Mr. SMITH. Hemp merchant.

Mr. KEARFUL. You have been requested to come before the committee investigating Mexican affairs for the purpose of giving a picture of the conditions that have existed in Yucatan with special reference to the hemp industry from the beginning of that industry up to the present time. Will you proceed with the statement in your own way with relation to that subject and then I will ask you some questions as you proceed.

Mr. SMITH. Yucatan is one of the States of the Mexican Republic with a population of about 300,000 and an area of about 22,000 square miles; its capital is Merida, with a population of about 60,000.

Yucatan is a sterile country; its soil is unable to produce anything in large quantity with the exception of henequen.

Henequen was first exported from Yucatan to the United States in about 1864 or 1865, but the industry did not assume large proportions until about 1880, when henequen fiber was brought into use for the purpose of the manufacture of binder twine. From 1880 onward the industry developed rapidly, due to the increase in the consumption of henequen in the grain binders. The price of the fiber averaged from 2½ cents a pound to about 6 cents per pound in New York.

The people in Yucatan were rather primitive. Their mode of living was not elaborate, and the price which they obtained for their henequen was sufficient to enable them to prosper gradually.

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In 1898, when the Spanish-American War broke out, the price of fiber advanced rapidly. The supplies of Manila hemp were interrupted on account of the war conditions in the Philippine Islands, and that caused an advance in the price of henequen to about 10 or 12 cents a pound. That sudden advance in the price brought great wealth to Yucatan and it immediately took first rank among the Mexican States.

Shortly after 1900 the State of Yucatan showed very rapid strides in education, sanitation, and in the general improvement in the well being of the people. That very high price, which was high at that time, brought about a boom in Yucatan and the usual consequences of a boom followed, so that there were from 1907 until 1911 a few mild panics brought about by speculation and overextension not only by the banks but by various commercial firms.

Mr. KEARFUL. What has been the condition in Yucatan during the period you speak of with reference to order and stable government?

Mr. SMITH. There never was any disorder in Yucatan during that period. They are law-abiding people; they obey the laws. Life and property were as safe in Yucatan during that period as they would be in the United States.

Mr. KEARFUL. Did they join the revolution against Porfirio Diaz?

Mr. SMITH. They did not.

Mr. KEARFUL. Did they submit to the rule of Madero?

Mr. SMITH. Yes; just as soon as any change was brought about in the government in Mexico City the central Government would send its representative or would appoint a governor to rule Yucatan and the Yucatan people accepted each of the various governors which the succeeding factions which obtained control in Mexico City would send them. They made no resistance to any of them; they accepted Huerta, and they accepted Madero, and they accepted Carranza.

Mr. KEARFUL. Has that attitude of the people of Yucatan ever changed?

Mr. SMITH. It did change in 1915. Carranza sent as his first governor to Yucatan a man named Eleuterio Avila, who arrived in Yucatan the latter part of 1914. The Yucatan people accepted Gov. Avila's régime without exception.

His first act was to impose forced loans on the planters and merchants of Yucatan for several million pesos. These forced loans were promptly paid and went to the Carrancista treasury. In a short time, however, political jealousy broke out among the Carrancistas and Avila was recalled to Mexico City. Gen. Toribio de los Santos was appointed by Carranza as acting governor in place of Avila. De los Santos ruled Yucatan in such a manner as to arouse the hostility of the people of the State. He made arrests of the leading citizens, exacted further payments of moneys, and was guilty of outrages on the inhabitants, which brought matters to a head in about six weeks after he went into power.

In February, 1915, a small uprising occurred in one of the interior towns, and De los Santos sent Col. Abel Ortiz Argumedo to suppress the movement. Argumedo, however, when he arrived at the point of disorder immediately joined the rebels and sent word

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back to De los Santos that he would march on Merida and drive De los Santos out of the country. De los Santos fled to Campeche, and Argumedo entered Merida and took possession of the State capital and the government of the State.

The citizens were much relieved at being rid of De los Santos and welcomed the Argumedo régime, feeling that it promised them relief from the outrages which De los Santos had been perpetrating. They had no idea of breaking away from the Carranza Government, and they organized a meeting in the palace at Merida at which they drew up a message to Carranza advising him that the uprising was not directed in any way against his Government but was due to the outrages of De los Santos. They promised adherence to the Carranza Government, offered to continue payment of taxes and duties as theretofore, and merely asked to be allowed to name their own governor or to have Carranza send them a governor who would not treat them in a brutal manner. Carranza never replied to the message, but he sent Gen. Salvador Alvarado with 7,000 or 8,000 troops to Yucatan to wrest possession of the government from Argumedo.

Alvarado and his army landed at Campeche and marched from Campeche into Yucatan. Alvarado sent announcements ahead of him saying that he would come into Merida through blood and fire, and caused such a state of terror in the city of Merida that many of the Yucatecos who had the means of getting away left before Alvarado's arrival. They left in freight boats, sailing vessels, or any other means of conveyance they could find.

Mr. KEARFUL. Please describe what he did to carry out his doctrine of blood and fire.

Mr. SMITH. When he approached the center of the State he encountered a small unorganized army of young men of Yucatan who had been sent out to resist his advance. Alvarado's army was well equipped and had little or no difficulty in defeating them and capturing a great many of them. He lined up the prisoners and shot them down, although after the slaughter had proceeded a short time he pardoned those who had not already been killed.

Mr. KEARFUL. What acts of violence did he commit, if any?

Mr. SMITH. At that time?

Mr. KEARFUL. Yes.

Mr. SMITH. That was the only act of violence except the usual things which happen when an army is on the march.

Mr. KEARFUL. I will ask you to go back now and describe the henequen situation and the means that had been established before the Carrancista invasion to regulate that industry.

Mr. SMITH. The henequen industry was established on a very solid and profitable basis. The panics which I mentioned as having occurred in 1907 and 1911 created merely temporary setbacks, but the State whose only product, or whose only source of revenue, was henequen, became one of the richest States in the Republic of Mexico. At the time of Alvarado's entry into Yucatan it was the richest State in the Republic of Mexico. The planters received an average price of about 5¼ cents per pound for their fiber. That price was delivered at New York. At that price they prospered and were peaceful and contented.

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There were various buyers and exporters of henequen in Yucatan and have been ever since the foundation of the industry up until 1915, when Alvarado drove them all out.

When Alvarado reached Merida his first act was to seize the railways of the State, and he operated them from that time until the time of his departure.

In 1912, shortly after the inauguration of the first military governor, who was Nicolas Camara Vales, an organization was made of various henequen planters in conjunction with the government of the State. This organization was named the Comision Reguladora del Comercio del Henequen.

Mr. KEARFUL. Commonly known as the Reguladora?

Mr. SMITH. Commonly known as the Reguladora. The purpose of that organization was to regulate the henequen industry—that is to say, that when in the operation of the law of supply and demand any large accumulation of henequen took place the Reguladora was to take this accumulation off the market and hold it until such time as the demand caught up with the supply. The governor of Yucatan was always president ex-officio of the Reguladora. The Reguladora functioned with more or less success but played no important part in the commercial or economic life of Yucatan.

When Alvarado assumed power in 1915 he assumed charge of the Reguladora, appointed his own board of directors, and gave notice that he was to arrange that the Reguladora would be the only institution or firm allowed to deal in henequen in Yucatan. Following out this policy, he ordered his director of the railways to refuse to transport any henequen shipped by anybody except to the consignment of the Reguladora. This brought about a state of chaos, generally, as the planters were suspicious of the Reguladora, did not care to do business with it, and preferred to continue doing as they had been doing.

Mr. KEARFUL. Was it possible for them to market their product without opportunity to use the railway transportation?

Mr. SMITH. It was not possible because naturally none of the buyers would buy henequen in the interior. It was necessary that the henequen should be at the coast, otherwise it was worthless. There were about 60,000 bales of henequen held in the various interior points awaiting shipment to the coast. That quantity was owned by American interests and they had great difficulty in moving it. They appealed to the United States Government, and it was only after the greatest pressure had been applied that Alvarado permitted the hemp to come to the ports.

Mr. KEARFUL. What was the system inaugurated by Alvarado for the control of the Reguladora?

Mr. SMITH. He automatically assumed the presidency of the institution immediately he came into power in Yucatan, and he appointed his own board of directors and his own manager. The first manager he appointed was Juan Zubaran.

Mr. KEARFUL. What was the progress of the henequen industry under the system which he established?

Mr. SMITH. The first effect was to paralyze the industry. The Reguladora had accumulated some hemp and Alvarado was anxious to sell that and turn it into money. The planters made every effort to ship their hemp to the coast; they had to pay bribes to the em-

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ployees of the railways and to resort to every possible means of marketing their hemp. They even sent it down at great trouble and expense by carts, but Alvarado soon put a stop to that practice by taking possession of the roads entering into Progreso and prohibiting the passing of the carts bearing the hemp to the warehouses.

Mr. KEARFUL. What means did he take to compel the planters to turn over their production to the Reguladora?

Mr. SMITH. Why, he would call the planters to the palace, sometimes in groups, sometimes single individuals, and he threatened to destroy their plantations, threatened to break the machinery, threatened to burn the fields, and to throw the owners into the fire unless they signed a contract agreeing to deliver their product to the Reguladora.

Mr. KEARFUL. Upon what terms?

Mr. SMITH. He promised it would be operated as a cooperative society. He agreed to pay them an advance against their deposit of hemp, but he neglected to pay any fixed price, merely stating in the contract that the Reguladora would pay an advance, which at the present time was 4 cents a pound, but that did not imply any obligation on the part of the Reguladora to pay 4 cents or any other price in the future.

Mr. KEARFUL. And what was his proposition in regard to a division of the profits?

Mr. SMITH. He promised to divide the profits among the planters in proportion to the amount of sisal which they would deliver; that is, when the sisal was eventually sold the product of the sale would be paid to the various planters in proper proportion.

Mr. KEARFUL. How was that carried out?

Mr. SMITH. It was not carried out in letter or in spirit. Alvarado sent agents to this country who negotiated a contract with some bankers in New Orleans. The bankers agreed to advance money to the Reguladora against hemp warehoused in this country. The original agreement called for the Reguladora to pay interest on such loans at market rates and in addition to pay a commission of 5 per cent to the syndicate of bankers that was financing the Reguladora. The name of the syndicate was the Pan American Commission Corporation.

Mr. KEARFUL. Who was the agent sent by Alvarado?

Mr. SMITH. Dr. Victor A. Rendon and his brother, Julio Rendon. Later on that agreement was changed, because it appeared to conflict with the antitrust laws of the United States. It appears that the promise to pay a commission of a stated amount on a price that was likely to fluctuate was possibly illegal, so the agreement was later changed during the progress of an investigation which a subcommittee of the United States Senate made of the henequen industry, and a fixed amount per bale was arranged to be paid to the Pan-American Commission Corporation.

Mr. KEARFUL. Who composed this Pan-American Corporation?

Mr. SMITH. The head of the corporation was Saul Wechsler and his assocate was Lynn H. Dinkins.

Mr. KEARFUL. What was the amount of the commission paid to them?

Mr. SMITH. The original amount agreed on was 5 per cent; then the later agreement called for the payment of—I can not think of it.

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Mr. KEARFUL. What effect did the system established by Alvarado have upon the prices of hemp in this country?

Mr. SMITH. When the United States Senate conducted hearings in the investigation into the henequen industry Dr. Rendon and Mr. Wechsler and Mr. Dinkins stated most emphatically that although the Reguladora was an effective monopoly it was not their intention to advance the price of henequen above the then existing price, which was 7⅜ cents per pound. It will be noted that the price of 7⅜ constitutes an advance of a little more than 2 cents per pound over the average price for the 15 years prior to 1915.

After the hearings closed the Reguladora proceeded to advance the price, until in 1917 it was 16⅜ cents per pound; in 1918 they advanced it to 19¼ cents per pound; but in 1919, owing to a large accumulation of hemp in their hands, they reduced the price to 15¼ cents per pound.

Mr. KEARFUL. What effect did this have upon the prices that had to be paid by the American farmers for binding twine?

Mr. SMITH. This advance forced the American farmers to pay for their binder twine the following amounts in excess of the amounts they had paid for the same quantity of twine in previous years: Excess in 1916, $7,125,000; excess in 1917, $33,375,000; excess in 1918, $42,000,000; excess in 1919, $30,000,000; making a total of $112,500,000 which American farmers were compelled to pay for their binder twine in excess of the amounts they would naturally have been called upon to pay had it not been for the existence and monopolistic actions of the Reguladora.

Mr. KEARFUL. Did the henequen planters of Yucatan get the benefit of this amount?

Mr. SMITH. No; the Yucatan planters derived no benefits.

Mr. KEARFUL. Where did this money go?

Mr. SMITH. That is hard to say. One million dollars was paid to the Pan-American Commission Corporation after the Reguladora refused to carry out its contract. They did this after they had placed themselves on their feet by the collection of these high prices for henequen. Then when the Reguladora commenced to receive these large sums of money Alvarado and his associates organized many subsidiary companies; they also spent very large sums of money for advertising and propaganda work in the United States, Europe, and South America; they paid moneys to newspapers in Mexico City in order to advance Alvarado's political ambitions; they sent anarchists to the United States and to South America, who conducted an active propaganda; they also organized a company called the Compania de Fomento del Sureste, of which Alvarado was president, and which he controlled absolutely. The supposed object of this company was to import everything required by the natives of Yucatan and to exclude from all participation in commerce all private firms and individuals.

Alvarado caused $9,000,000 to be taken from the Reguladora treasury for the purchase of several small steamers. Although he announced that he had acquired these steamers for the purpose of transporting the Reguladora's henequen to the United States, the steamers were immediately chartered to the Compania de Fomento del Sureste, who in turn made a contract with the Reguladora to

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transport the Reguladora's hemp on these steamers. Alvarado also used the money of the Reguladora for the purpose of acquiring the majority of the stock in the Yucatan railways. He immediately handed over control of these railways to the same Compania de Fomento.

Mr. KEARFUL. Was there any undertaking by this subsidiary company to build additional railways?

Mr. SMITH. I think there was no definite undertaking, but they did appropriate a great many rails and railway equipment from the various plantations in the State and they advertised, and in fact they did some work in building a railway in the southern part of the penisula, but it was generally regarded as a joke, and though several million pesos were ostensibly paid in the construction work of the railroad it was later sold for 150,000 pesos to a friend of the Alvarado Government.

Mr. KEARFUL. What supplemental organization was established by Alvarado for the purpose of controlling the planters? I refer to the Ligas de Resistencia.

Mr. SMITH. Well, as things progress in Yucatan the planters became more and more restless. Although they realized that henequen was being sold in the United States at fabulous prices, and although they observed the prosperity of all the Alvarado officials, they realized that they were becoming poorer all the time, that the moneys which Alvarado promised them and which they were entitled to on the basis of participating in the selling price of the henequen were not forthcoming, they saw that those moneys were being expended for other purposes, and opposition commenced to develop. In order to quell any idea of independence on the part of the Yucatan people Alvarado organized the so-called Ligas de Resistencia. They conducted a campaign of terror throughout the State. Anybody who expressed any antagonism to Alvarado immediately was persecuted by the Ligas de Resistencia.

Mr. KEARFUL. What course did this persecution take?

Mr. SMITH. Destruction of hemp fields, breaking of machinery, and inciting fear in the minds of the workmen on the plantations and driving them off. Another method which Alvarado pursued was in Merida. On the principal boulevard of the city he had hanged two men on different occasions, but on each occasion he allowed the body of the hanged man to swing from an oak tree on this principal boulevard of Merida from sunrise to sunset. That created considerable excitement. After that when anybody showed any tendency to disagree with Alvarado or to resist his decrees he would tell them to "Remember the oak tree," and that brought them to terms in very short order.

Mr. KEARFUL. I will ask you to describe the condition of the henequen plantations as a result of the policy established by Alvarado.

Mr. SMITH. Among other so-called reforms, Alvarado proceeded to inaugurate a school system. He brought several hundred so-called teachers down from various parts of Mexico and sent them broadcast throughout the State of Yucatan, compelling each planter to have a teacher on the plantation. Many of these teachers were unable to read or write and were compelled to make their mark in giving a receipt for pay checks. None of them was able to speak the language

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spoken by the Indians, and the so-called teachers were merely agitators who did nothing but create discord and dissatisfaction among the workmen on the plantations.

Mr. KEARFUL. What were the doctrines they taught?

Mr. SMITH. Anarchistic entirely. They taught them that the planters had kept them in slavery for years, that now the tide had turned and the workmen themselves were masters. They told them that if the plantation owners made any attempt to enforce discipline or to resist the authority which the workmen were to exercise on the plantation they were to take their machetes and cut their heads off.

Mr. KEARFUL. The planters had to pay for this instruction?

Mr. SMITH. Yes.

Mr. KEARFUL. What effect did the promulgation of such doctrines have?

Mr. SMITH. Why, it produced almost complete demoralization on all the plantations. A henequen plantation, in order to remain productive, must be carefully attended to; that is, the leaves of the henequen plant must be cut at certain periods, the underbrush must be cleaned out, and the plantations kept clean; otherwise the plants will die. The system inaugurated by Alvarado forced the owners to relinquish the control of their property; the men were allowed to work as they pleased, and instead of devoting their time to keeping the plantations in good condition they would cut the leaves of the hemp plants nearest the road, and by overcutting those plants nearest the road they would produce a condition which caused those plants to die prematurely; also by neglecting the leaves on the plants in the interior of the plantation and by failing to clean out the underbrush they have caused many of the plants to send up a pole, which is the indication that the life of the plant is at an end and it is of no further use.

Mr. KEARFUL. What is the natural life of the henequen plant under proper conditions, and what is the effect of the neglect of the plant?

Mr. SMITH. It requires seven years from planting for a plant to produce fiber. After it commences to produce it will continue production for a period of about 18 years. If the plant is not properly cared for it will die in three or four years.

Mr. KEARFUL. What is the condition of the henequen plantations in Yucatan at the present time?

Mr. SMITH. The present condition of the henequen plantations in Yucatan is alarming. The planters have been robbed of the money received from the sale of their henequen, so they are now on the verge of bankruptcy and not in condition to continue the development and care of the plantations.

Mr. KEARFUL. What effect will that have upon the farmers of this country who are compelled to use that product for binder twine?

Mr. SMITH. Unless something is done to relieve the situation of the Yucatan planters it is a practical certainty that within a very few years the farmers of the United States will be without binder twine to bind their crops. Up until the present time no substitute for henequen fiber has been found in sufficient quantities to replace henequen in case that fiber should be eliminated, and there is every prospect of its being eliminated now.

Mr. KEARFUL. Has this country been the market for the henequen product?

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Mr. SMITH. Yes; this country always consumed about 90 per cent of all the henequen grown in Yucatan. About 90 per cent of the grain crops of the United States are bound with twine made of henequen from Yucatan.

Mr. KEARFUL. What did Alvarado do in reference to establishing prohibition in Yucatan.

Mr. SMITH. Alvarado made the State dry on paper, but liquor continued to be handled in Yucatan. It was smuggled in by many people and the Government made a pretense of enforcing the law. In fact, they did seize fairly large quantities of liquor which they stored in a church, but when the Government lost control of the Reguladora last summer they had no means of getting further revenue, so they commenced to sell the liquor out of the church and a short time ago they made a sale of part of the stock of liquor, but the Federal Government seized the liquor because the State government had failed to pay the Federal revenue tax on it.

Mr. KEARFUL. And what became of the liquor then?

Mr. SMITH. I have not heard its final disposition.

Mr. KEARFUL. Is effective prohibition now established in Yucatan?

Mr. SMITH. Only until the end of this year. I understand they are giving up the prohibition feature of it and next year under Federal regulation they will become wet again.

Mr. KEARFUL. Will you proceed to describe the currency system established in Yucatan?

Mr. SMITH. Up until the outbreak of the revolution currency was the usual Mexican peso, but as the trouble and disorder continued there was a natural depletion of the silver currency throughout the country so that in Yucatan the Reguladora, in order to meet the currency shortage, made large issues of paper currency and for quite some time that was the only circulating medium in the peninsula.

Mr. KEARFUL. To what amount has this currency been issued?

Mr. SMITH. Nobody has been able to find out. I understand that some of the banks that have been financing the Reguladora during the Alvarado régime are interested in finding out just what the amount of the obligations are and are trying to uncover the details of the issues.

Mr. KEARFUL. What method did Alvarado pursue for the purpose of forcing this currency on the people?

Mr. SMITH. Why, he issued a decree making it legal tender and promising to redeem it on the basis of 50 cents United States gold per peso.

Mr. KEARFUL. What representations did he make as to the coin reserves held for security?

Mr. SMITH. Well, as the people observed the effect of his various acts they became more and more suspicious of the insolvency of the Reguladora and he had photographs made of safes full of gold coin—United States gold coin—and he exhibited those generally in order to attempt to establish confidence in the Reguladora paper; but last summer, when the Reguladora was, by instructions from the Federal Government, turned over to the planters they took possession of the Reguladora offices and found those safes empty. They did not have enough money even to pay for telegrams they wanted to send.

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Mr. KEARFUL. What became of the Reguladora in the end?

Mr. SMITH. It has been turned over to a committee of Yucatan planters, who are now trying to save the situation. They have promised to take up the large issues of paper money made by the Alvarado government just as soon as they can raise the money, but conditions are very hard. They found the Reguladora looted to such an extent as to make their work exceedingly difficult, and it is uncertain what the outcome will be unless they are able to find assistance in some form or other from this country.

Mr. KEARFUL. In what form could assistance be rendered?

Mr. SMITH. Either by somebody in this country making loans to them against warehouse receipts for henequen or else the American binder-twine manufacturers agreeing to take the monthly production of the planters.

Mr. KEARFUL. What prospect is there of successful negotiations along that line?

Mr. SMITH. That is uncertain. The market conditions are very uncertain, because only a month ago a syndicate of banks which had been loaning money to the Reguladora against deposits of henequen in this country foreclosed on 250,000 bales of henequen and the banks themselves bought them in at $20 per bale. Now, if those 250,000 bales should be disposed of by the banks to the cordage manufacturers, it will be many months before the Yucatan planters will find any outlet for their production. In the meantime their source of revenue will have been cut off and they will not have any means whatsoever to continue work on the plantations. That may possibly bring about a situation where they will have to abandon the plantations, and the consequences would be most disastrous not only to the Yucatan planters but also to the United States generally.

Mr. KEARFUL. What confidence could be imposed in their ability to conduct their plantations under the situation that you have been describing?

Mr. SMITH. They could conduct their plantations and they could gradually get on their feet again if they were assured of a steady market for their products.

Mr. KEARFUL. In the face of the anarchistic doctrines that have been imposed upon them?

Mr. SMITH. Those anarchistic doctrines have been discarded. After the State was reduced to the very extreme of demoralization the men who accomplished that work gradually retired, and since the affairs of the State have been turned over to the planters they have been able to restore order to a very large extent. Discipline has been restored on the plantations, and there is a general feeling in Yucatan of a desire to cooperate and to work together to bring about a condition of stabilization.

Mr. KEARFUL. Alvarado himself is not personally in control now?

Mr. SMITH. No; he is not even in Yucatan; he is in Mexico City and is conducting a newspaper there.

Mr. KEARFUL. Is he also conducting a political campaign?

Mr. SMITH. Yes; he is a candidate for the presidency of Mexico.

Mr. KEARFUL. What other fiat money was used in Yucatan besides the issue of the Reguladora?

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Mr. SMITH. They also used there the various issues of the Carranzista Government; they had the Veracruzanos, the constitucionalistas, the infalsificables.

Mr. KEARFUL. With whom were you connected in operations in Yucatan?

Mr. SMITH. With Abalino Montes.

Mr. KEARFUL. Did you have any transactions personally in reference to the fiat money of the Carranza Government?

Mr. SMITH. Yes.

Mr. KEARFUL. What were the transactions that you had?

Mr. SMITH. The first transaction I had was early in 1915 during the Argumedo régime. Argumedo used threats to force us to give him a letter of credit on New York for $500,000.

Mr. KEARFUL. For what purpose was this money to be used?

Mr. SMITH. He was sending a commission to the United States for the purpose of buying provisions and supplies for the Yucatan Government.

Mr. KEARFUL. What were the threats he used?

Mr. SMITH. During the De los Santos régime we had bought 100,000 bales of henequen from the Reguladora. De los Santos did not stay long enough to carry out the contract, but it naturally and legally devolved upon his successor to carry out the contract. Argumedo threatened to refuse to deliver us any of this henequen and also to close up our business and to refuse to permit us to do any further business in Yucatan unless we acceded to his request for the letter of credit for $500,000. In order to convince us that it would be in order for us to give him the letter of credit he brought us to the Banco Peninsular to witness the removal of 1,100,000 Mexican gold pesos from the vaults of the bank. That gold was brought to the governor's palace and Argumedo told us that he had brought us there to show us that he had the money with which to carry on his government, but he did not wish to send the gold coin out of the State, and gave us one more opportunity to give him the letter of credit, which we did.

He sent a mission to the United States to purchase the provisions and supplies referred to, and we had made payments against that letter of credit amounting to about $200,000 when Alvarado came into Yucatan and issued a decree nullifying the paper money which Argumedo had delivered us for the letter of credit.

Mr. KEARFUL. How much paper money?

Mr. SMITH. Between 3,000,000 and 4,000,000 pesos in paper money.

Mr. KEARFUL. That is, of the issue of the Reguladora?

Mr. SMITH. Of the Reguladora issue.

Mr. KEARFUL. And what did Alvarado do in reference to that money?

Mr. SMITH. He issued a decree declaring it null and void.

Mr. KEARFUL. And then what did you do?

Mr. SMITH. We stopped further payments against the letter of credit. Later on, Alvarado or the government of Yucatan brought suit against us to enforce the payment of the remaining $300,000. That suit was brought in New York, but has never come to trial.

Mr. KEARFUL. Notwithstanding the consideration had been destroyed?

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Mr. SMITH. Notwithstanding that fact.

Mr. KEARFUL. What value has the money issued by the Reguladora?

Mr. SMITH. It is of very doubtful value now.

Mr. KEARFUL. Upon what basis did this fiat money issued by the Reguladora rest? Upon what security was it supposed to stand?

Mr. SMITH. Upon the security of the hemp held by the Reguladora.

Mr. KEARFUL. Upon the henequen itself?

Mr. SMITH. Upon the henequen itself and, in addition, the photographs of the safes full of gold.

Mr. KEARFUL. What about price of henequen at the present time?

Mr. SMITH. The price of henequen has declined until it is now about 7¼ cents per pound.

Mr. KEARFUL. I judge from that there would be no prospect of liquidating or taking up this fiat money from the proceeds of the henequen?

Mr. SMITH. It can be done gradually provided the holders will not force matters to an issue, and also provided the banks in the United States which have made large loans to the Reguladora and which loans have to be assumed by the planters do not press matters.

Mr. KEARFUL. What transactions did you have in reference to the issue of Carranza paper currency?

Mr. SMITH. In view of the scarcity of currency throughout Yucatan, it was necessary for us to go outside in order to get currency to finance our business. We bought issues of the Carranza Government from the banks along the border, from the First National Bank of El Paso, and from the Laredo National Bank. Those banks guaranteed the guineness of all the money they sold to us. We shipped the money thus bought from New Orleans to Yucatan.

Mr. KEARFUL. In what amount?

Mr. SMITH. Oh, in varying amounts.

Mr. KEARFUL. In the aggregate?

Mr. SMITH. Probably 3,000,000 or 4,000,000 pesos.

Mr. KEARFUL. This money, by decree of Carranza, was legal tender?

Mr. SMITH. Yes.

Mr. KEARFUL. And what occurred when you attempted to use this money?

Mr. SMITH. Nothing occurred until one shipment we brought into Yucatan we made a payment of about 400,000 pesos to the Reguladora. It so happened that when we made that payment Luis Cabrera had just arrived in Yucatan.

Mr. KEARFUL. The minister of finance under Carranza?

Mr. SMITH. Yes; and he sent for me and I went to the office of the Reguladora, and he had all this money piled on a table and asked us where we got so much counterfeit money, which was the first intimation we had that they were contemplating declaring it counterfeit. We told him it was not counterfeit and he insisted that it was; that he felt sure he saw imperfections in the bills which indicated its being counterfeit, and said that he was going to have an expert come over from Vera Cruz to decide whether it was counterfeit or not. We suggested that it was not necessary for the expert to come from Vera Cruz to render the decision; that Cabrera could telegraph him what decision he wanted made and that it would be made accordingly. But the expert came over, and of the total amount of 400,000

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pesos which we had paid he declared about 160,000 pesos counterfeit, and he confiscated that amount.

Mr. KEARFUL. Did you request the delivery of the bills, so that you could hold the banks from which you bought them to their guaranty?

Mr. SMITH. Yes; we explained to him that we had bought it under the guaranty of its being genuine from those banks which I have mentioned, who had assured us that they had bought it from the Carranza treasury agents, and we explained to Cabrera that if he would let us bring it back to those banks we would be able to have them make good, but he refused to do it, and we lost that amount.

Mr. KEARFUL. Do you know of any similar transaction taking place with other persons?

Mr. SMITH. Yes; there was one Mexican, a man named Modesto Alvarez, who was accused of having counterfeit money. He made the same explanation as we made, and made the same request that he be permitted to send it back to the banks on the border, and he was granted that permission.

Mr. KEARFUL. How do you account for the discrimination?

Mr. SMITH. I believe it was because we were Americans.

Mr. KEARFUL. Have you ever heard Luis Cabrera express his sentiments in regard to what should be done in reference to Americans and their property interests in Mexico?

Mr. SMITH. Yes; Cabrera made no secret of his ideas on that subject. He said the Americans had exploited the Mexicans long enough and ought to be driven from the country.

Mr. KEARFUL. You are clear about that, are you?

Mr. SMITH. Positive.

Mr. KEARFUL. About what he said?

Mr. SMITH. Yes.

Mr. KEARFUL. Mr. W. F. Buckley recently testified before the committee. On page 797 of the printed hearings he said:

> I had a conversation in 1914 with Luis Cabrera, in which Mr. Cabrera very frankly told me that the menace of the American in Mexico must be removed and that the only way to do this was to drive him out of the country and take his property.

Is that substantially the sentiment that he expressed to you?

Mr. SMITH. Practically the same. I do not recall that he said they would take the property of the Americans, but he most certainly said that Americans must be driven out of Mexico.

Mr. KEARFUL. Shortly after the publication of Mr. Buckley's testimony Mr. Cabrera issued a statement in which he denied having had any such conversation and stated that he did not know Mr. Buckley. In view of the possibility of Mr. Cabrera's denial of your statement I would like to have you indicate some occurrences which would make it positive that Mr. Cabrera certainly knows you.

Mr. SMITH. Well, he might possibly recall his seizing the 160,000 pesos of our money; he might recall that he and I were passengers on the steamer *Morro Castle* out of Progreso at the end of July, 1915, at which time I had a conference on board the steamer as she lay off Progreso with Cabrera, Alvarado, Judge Douglas, Carranza's attorney, and Mr. Barrett, the representative of the International Harvester Co. Mr. Cabrera might also recall that in 1916 he telegraphed instructions to the Mexican Embassy here in Washington to

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bring to the attention of Mr. Bryan, who was then Secretary of State, the fact that I was prejudiced in my views on Mexican affairs and that the State Department should have no confidence in my reports to them.

Mr. KEARFUL. I suppose you were represented to belong to that class of American capitalists who were engaged in exploiting the Mexican peon?

Mr. SMITH. That was his contention; yes.

Mr. KEARFUL. What is your view of that bit of propaganda that has been circulated so assiduously in this country, that American citizens are not entitled to consideration because they have been engaged in exploiting the people of that country to the detriment of the country and for their own especial benefit?

Mr. SMITH. Why, I believe that is being used almost entirely with the idea of having the Mexican politicians continue in power in Mexico.

Mr. KEARFUL. What is your opinion about the truth of that statement that the Americans are not entitled to consideration because they have been engaged in exploiting the people of Mexico?

Mr. SMITH. There is no truth at all in that. Of course, there are individual cases of injustice on the part of Americans toward Mexicans, just the same as there are cases of injustice in every other country of the world, but I think that the progress which Mexico has shown since the Americans went in there with their ability and their money and the knowledge which they possessed is sufficient answer to the claim of the Mexican Government officials that Americans did exploit the Mexican people unfairly.

When Americans went in there and started to really develop Mexico the Mexican people had neither the money nor the knowledge necessary to permit them to develop their own country. It was a case of Mexico being developed by foreign capital and foreign energy or remaining in a semibarbarous condition.

Mr. KEARFUL. What has been the effect upon the laboring classes of the operations of foreign capitalists?

Mr. SMITH. Why, the effect has been remarkably good. During the period of the Mexican development I believe the Mexican workman made more progress comparatively speaking than the workmen of any other country.

Mr. KEARFUL. What is the sentiment of Mexican laborers with refference to American enterprise? Are they hostile toward Americans?

Mr. SMITH. Well, I can speak for Yucatan only. I do not know anything about conditions in the northern part of the Republic, but in Yucatan the sentiment among the natives is entirely friendly toward Americans.

Mr. KEARFUL. Do they prefer to work for Americans than for their own people?

Mr. SMITH. No; that is not true. In Yucatan there have been very few American employers. The great majority of the hemp planters are Mexicans; but what few Americans have gone in there and run hemp plantations and other industries—gas works, for example, and other industries—have had absolutely no trouble with the natives. In fact, the natives always displayed the most friendly feeling toward Americans.

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Mr. KEARFUL. What was the condition of the railways of Yucatan up to the time of the entry of Alvarado?

Mr. SMITH. They were on a solid basis; they had been built by local capital, and had practically no loans. In fact, they never had a bond issue until it was, I think, 1912, when they floated an issue of 825,000 pounds sterling. They were being run as a railroad that is up to date, just as much so as any other railroad in Mexico.

Mr. KEARFUL. Were they in good condition?

Mr. SMITH. Yes.

Mr. KEARFUL. With plenty of rolling stock?

Mr. SMITH. Yes; with plenty of rolling stock. They had a sufficient equipment to take care of the requirements of the State.

Mr. KEARFUL. What has been their condition since that time?

Mr. SMITH. Well, they have been neglected, their rolling stock is in horrible condition, the roadbeds have also been neglected, and, in fact, one of the adherents of the Alvarado government pointed to them as a modern miracle; that is, they have been able to maintain the semblance of being a railroad with the run-down equipment and roadbeds which they are suffering from.

Mr. KEARFUL. Have they paid the interest on this foreign loan?

Mr. SMITH. They have been paying it; I do not know if they have paid it all. Their payments were always delayed, but the bondholders never saw fit to foreclose.

Mr. KEARFUL. Were the roads in a prosperous condition up to the time of Alvarado?

Mr. SMITH. Yes.

Mr. KEARFUL. The stock was worth considerable sums on the market?

Mr. SMITH. I can not recall what the quotation was, but it had a fair price.

Mr. KEARFUL. And what is the condition of the stock now?

Mr. SMITH. I think the stock is worthless. The Federal Government has attached the railroads in Yucatan to satisfy a debt owed it by the State government for the payment of export duties on henequen.

Mr. KEARFUL. The State government does not own the railroads, does it?

Mr. SMITH. No; but the Reguladora is part of the State government.

Mr. KEARFUL. And the Reguladora purchased the control of the stock?

Mr. SMITH. Yes; the Reguladora purchased the control of the stock and Alvarado as president of the Reguladora turned the control over to Alvarado as Governor of Yucatan, and he in turn handed it over to Alvarado as president of the Compania de Fomento.

Mr. KEARFUL. Before purchasing the stock did Alvarado take possession of the railroads when he entered the country?

Mr. SMITH. Yes.

Mr. KEARFUL. What was the pretext?

Mr. SMITH. He took possession in the name of the revolution. Everything he did there was in the name of the revolution.

Mr. KEARFUL. And as a supposed military measure?

Mr. SMITH. Yes.

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Mr. KEARFUL. There was really no opposition to the Carranza government until the Carranza officials came into the country and started trouble, was there?

Mr. SMITH. That is true.

(Whereupon, at 1 o'clock p. m., a recess was taken until 2 o'clock p. m.)

AFTER RECESS.

Mr. KEARFUL. Returning to the transaction which you had with Argumedo, I understand that you were forced to extend to him a letter of credit on New York for $500,000, in consideration of which he delivered to you some 3,000,000 or 4,000,000 pesos in Reguladora currency which you would be entitled to use in the payment for 100,000 bales of henequen that you had contracted to buy from the Reguladora; is that correct?

Mr. SMITH. In part payment.

Mr. KEARFUL. What was the exact amount, if you remember, of this Reguladora currency?

Mr. SMITH. Three million five hundred and fifty thousand pesos, as nearly as I can recollect.

Mr. KEARFUL. What did you do with this currency? I may say that I understand that Alvarado issued a decree shortly after his entry into Yucatan nullifying this currency. What did you then do with it?

Mr. SMITH. Well, prior to Alvarado's arrival in Merida many of the people gathered together their money and valuables and fled the country. Our people made their escape from Merida carrying with them the currency in question, and brought it to this country. During the Argumedo régime, and prior to the entry of Alvarado into Yucatan, Carranza had blockaded the port of Progreso, and no henequen was allowed to be exported. The United States Government made representations to Carranza which resulted in his lifting the blockade of Progreso, but Alvarado immediately thereafter took steps to prevent the henequen entering Progreso from the interior points.

Mr. KEARFUL. What was the consideration that moved the United States Government to take steps to protect the owners of henequen?

Mr. SMITH. It was because that situation arose in the spring of 1915 when the binder-twine manufacturers had not sufficient fiber to manufacture the binder twine required for the 1915 harvest, and the farmers throughout the country realized that without a proper supply of binder twine their crops could not be gathered, so it was of vital importance that the fiber necessary to manufacture the binder twine for the 1915 harvest be obtained without delay. Although the blockade was lifted and theoretically hemp was supposed to be allowed free movement out of Progreso, Alvarado was obstinate and refused to permit shipments of the hemp to be made.

Mr. KEARFUL. Did this lead to negotiations between yourself and the Mexican representatives in Washington in regard to shipments by you of henequen from Yucatan?

Mr. SMITH. Yes; the United States Government was quite insistent that the hemp be moved, and they offered to give us protection in getting the hemp out. When Mr. Eliseo Arredondo, who was then the Washington representative of the Carranza Government, learned

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of the proposal to see that the hemp was actually shipped, we had several conferences with him which resulted in an agreement being made whereby he agreed that if I should go to Yucatan with the Reguladora currency the Mexican Government would allow the hemp to be shipped, but he was very anxious to avoid all appearance of any coercion on the part of the United States Government. I agreed to take the currency to Yucatan on condition that the Mexican Government would guarantee my personal safety.

Mr. KEARFUL. Was it part of the agreement that the arrangement made with Argumedo whereby this money would be received in part payment for the hemp would be carried out?

Mr. SMITH. With Arredondo, you mean?

Mr. KEARFUL. Yes.

Mr. SMITH. It was part of the agreement that the Reguladora would accept that currency in payment for the hemp. I went to Yucatan with the currency, but when I arrived there I learned that two or three days subsequent to the agreement with Arredondo in Washington Alvarado had issued a new decree confirming the previous decree to the effect that the currency held by us was null and void and also declaring it to be counterfeit. In this decree he stated that anybody found with that currency in his possession would be dealt with as a counterfeiter, the penalty in that case being death. I did not take the currency ashore, but deposited it on board the United States gunboat *Des Moines*, which was lying off the port of Progreso.

Mr. KEARFUL. And you did not yourself go ashore?

Mr. SMITH. After depositing the currency on the *Des Moines* I did go ashore.

Mr. KEARFUL. Taking care not to have any of this money in your possession?

Mr. SMITH. I had none of it when I went ashore.

Mr. KEARFUL. Then the agreement which was made by Mr. Arredondo was repudiated?

Mr. SMITH. Entirely.

Mr. KEARFUL. Returning to Luis Cabrera and the sentiment expressed by him in reference to driving Americans out of Mexico, what was the sentiment of Salvador Alvarado on that point?

Mr. SMITH. Why, he was much more violent in his expressions against Americans than was Cabrera. Alvarado told me on various occasions that if he had his way he would drive all the Americans out of Mexico immediately.

Mr. KEARFUL. Do you know anything about certain devious methods employed by Alvarado and his henchmen to secure funds with which to promote the campaign of Alvarado for the presidency of Mexico?

Mr. SMITH. In 1916 Col. Bauche Alcalde of the Carrancista army came to New York and endeavored to sell 100,000 bales of henequen. He informed me that Alvarado was laying plans to make a campaign for the presidency during the next election and was desirous of raising a campaign fund. Bauche Alcalde told me that he would sell us 100,000 bales of sisal at a price 1 cent per pound below the then market price on condition that we would stipulate in the contract that we would export the sisal from the United States. We told him that there was no market for such a large quantity of sisal outside the United States and he suggested that the matter could be arranged if

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we would merely mention the word "export" in the contract and that we would not be held to any obligation to see that the hemp were actually exported.

Mr. KEARFUL. In what way was he expecting to raise money for the campaign fund by this transaction?

Mr. SMITH. He told me that Alvarado had agreed to sell him and his associates 100,000 bales at a price 4 cents per pound below the then prevailing price.

Mr. KEARFUL. That is, Alvarado acting as head of the Reguladora?

Mr. SMITH. Yes.

Mr. KEARFUL. And the 4 cents per pound less the market price referred to the market price fixed by the Reguladora?

Mr. SMITH. Yes; fixed by the Reguladora on sales of henequen to American binder-twine manufacturers.

Mr. KEARFUL. If that transaction had been carried through, what amount of profit would have resulted to Alvarado?

Mr. SMITH. Something in excess of $1,000,000.

Mr. KEARFUL. What was Alvarado's doctrine in reference to the division of the land in Yucatan?

Mr. SMITH. Alvarado promulgated a doctrine which, to the best of my knowledge and belief, was the forerunner of the Bolshevism now ruling in Russia. He enacted an agrarian law, the principal feature of which was that land should be free as light and air; that there should be no private ownership of land, and this law provided that the Indians should take possession of the land cultivated by the planters.

There is a great plenty of land in Yucatan, so that the land question is not an important one by any means, but Alvarado's plan contemplated the division among the Indians of the land which had been cultivated by the planters. He advertised certain dates on which the land would be distributed free to the Indians, and he attempted to make the distribution, but the Indians refused to take the land because, in the first place, they realized that they would have to pay taxes on the land, and the land being cultivated to henequen was of no use to them without the machinery and the central plant necessary for the depuration of the fiber.

Mr. KEARFUL. Is it possible to successfully cultivate henequen in small tracts?

Mr. SMITH. Absolutely impossible; that is, in a commercial way. A man doing it on a small scale would have to clean it by hand and the process would be so slow that he would never be able to make a living.

Mr. KEARFUL. What would be the effect upon such a process of the fact that the henequen plant requires seven years to mature?

Mr. SMITH. That in itself makes it an absurdity to think of a poor Indian taking up a tract of land to cultivate it to henequen, when it is a well-known fact that the first seven years produce not 1 cent of revenue, but necessitate continued outlay.

Mr. KEARFUL. And is it necessary to have expensive machinery with which to handle the crop?

Mr. SMITH. Yes.

Mr. KEARFUL. What has become of Alvarado's bolshevistic doctrines in Yucatan?

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Mr. SMITH. Well, they have been put to one side since the planters have taken control of affairs and they had accomplished so much ruin and misery that they have been practically expelled from Yucatan.

Mr. KEARFUL. That is, the bolshevik teachers and leaders?

Mr. SMITH. No; the bolshevik features of his program.

Mr. KEARFUL. You were referring a while ago to a possible crisis that might result to the farmers in this country by reason of failure of the future crops of henequen. Have you figures with reference to the production of henequen from the time of Alvarado's transactions up to the present time as illustrating that feature?

Mr. SMITH. Yes; the production of henequen in 1900 was 500,000 bales; in 1914, the last year prior to the Alvarado regime, the production was 1,026,000 bales; in 1918 the production had declined to 805,000 bales; in 1919 it will not reach 700,000 bales. That is, during the Alvarado régime the production declined by 30 per cent, whereas if normal conditions had prevailed the production in 1919, due to the increased plantings and the installation of large numbers of modern cleaning machines, would have been 1,500,000 bales.

Mr. KEARFUL. As I understand you, substantially all this production is consumed by the farmers of the United States?

Mr. SMITH. Practically all of it.

Mr. KEARFUL. And the farmers of the United States rely upon the henequen production of Yucatan for their binder twine?

Mr. SMITH. Yes; about 90 per cent of the binder twine which the farmers of the United States use is made of Yucatan sisal or henequen. I stated that practically all of that Yucatan henequen is consumed by the American farmers. That is not quite correct, because in addition to the binder twine manufactured in this country for consumption in the United States manufacturers also make fairly large quantities of binder twine which are exported to South America and to Europe.

Mr. KEARFUL. Aside from the hardship upon the farmers in failing to get binder twine, the shortage in the crop would affect those manufacturers of binder twine in the United States?

Mr. SMITH. Very seriously.

Mr. KEARFUL. Is there anything further, Mr. Smith, that you want to testify about?

Mr. SMITH. Nothing that occurs to me.

Mr. KEARFUL. We are very much obliged to you.

(Witness excused.)

(Thereupon, at 3 o'clock p. m., the committee adjourned to Friday, January 2, 1920, at 10 o'clock a. m.)

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INVESTIGATION OF MEXICAN AFFAIRS.

FRIDAY, JANUARY 2, 1920.

UNITED STATES SENATE,
SUBCOMMITTEE ON FOREIGN RELATIONS,
Washington, D. C.

On account of the illness of the witness to be examined by the committee on this day, an adjournment was taken until to-morrow, Saturday, January 3, 1920, at 11 o'clock a. m.

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INVESTIGATION OF MEXICAN AFFAIRS.

SATURDAY, JANUARY 3, 1920.

UNITED STATES SENATE,
SUBCOMMITTEE ON FOREIGN RELATIONS,
Washington, D. C.

Testimony taken at Washington, D. C., January 3, 1920, by Francis J. Kearful, Esq., in pursuance of an order of the Subcommittee of the Committee on Foreign Relations of the Senate.

TESTIMONY OF EMILIANO LOPEZ FIGUEROA.

Mr. KEARFUL. You do not need an interpreter, Mr. Figueroa?

Mr. FIGUEROA. No, sir.

Mr. KEARFUL. Will you be sworn?

Mr. FIGUEROA. Before, I would like to read a statement if you will allow me. I have been summoned to appear before your committee and testify respecting the subject matter under consideration and to produce an alleged "copy of the telegram sent by Rafael Nieto to Luis Cabrera in reference to producing bail to be furnished for W. O. Jenkins" by the service of a writ of subpœna issued by your committee and served upon me personally in New York City. I am here pursuant to such subpœna, but I wish to and hereby do object to my compulsory examination. I am a citizen of the Republic of Mexico, not of the United States. This committee is considering and wishes to examine me respecting matters concerning the country of which I am a citizen. I deny the jurisdiction of this committee and its right and power to compel my attendance and examination on the ground this committee has no jurisdiction over alien residents, but can only compel the examination of citizens of the United States. Furthermore, it is a violation of international comity, as well as the courtesy which this country owes to an alien resident, to compel such an alien resident to testify concerning a matter respecting his country. I am advised that the resolution authorizing this investigation, as well as the statutes and law of the United States, do not confer any such right and power on your committee.

If you demand my examination over my protest and in violation of my rights, any information which I might have, which is of interest and concern to your committee, I will give it, only intending to act in a manner becoming a citizen of Mexico, and a resident of the United States; not wishing to embarrass either, but to facilitate you; expecting, however, that you will have proper respect for my rights as a citizen of Mexico.

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Mr. KEARFUL. The committee is acting under a resolution of the Senate to investigate and report certain facts to the Senate for its information and it is believed that there is no law of this country, under whose law this committee is operating, that excuses you from testifying to such facts as are pertinent to the matters under inquiry pursuant to the Senate resolution. The committee appreciates the delicate position in which you may find yourself by reason of the necessity of testifying to facts within your knowledge but must overrule your objection and ask you to be sworn and testify.

Mr. FIGUEROA. I am perfectly willing, sir.

(The oath was thereupon administered by Mr. Kearful.)

Mr. KEARFUL. Please state your full name to the stenographer.

Mr. FIGUEROA. Emiliano Lopez Figueroa.

Mr. KEARFUL. What is your present address?

Mr. FIGUEROA. No. 112 Riverside Drive, New York City.

Mr. KEARFUL. What is your citizenship?

Mr. FIGUEROA. Mexican.

Mr. KEARFUL. How long have you lived in this country?

Mr. FIGUEROA. Over five years.

Mr. KEARFUL. Continuously?

Mr. FIGUEROA. No, sir; I was in Mexico City about 11 months ago.

Mr. KEARFUL. You are acquainted with what is known as the case of Consular Agent W. O. Jenkins, who was apprehended by the local authorities of the State of Puebla?

Mr. FIGUEROA. I don't know what you mean, sir. Am I acquainted, you say?

Mr. KEARFUL. Acquainted with the case of W. O. Jenkins?

Mr. FIGUEROA. Well, I know about that case only from what the papers have said.

Mr. KEARFUL. You recall from the newspapers that Mr. Jenkins was kidnapped by the rebel Cordoba and held for ransom?

Mr. FIGUEROA. I do.

Mr. KEARFUL. That the ransom was paid or arranged to be paid and he was released?

Mr. FIGUEROA. Yes.

Mr. KEARFUL. Subsequently he was arrested by the local authorities of the State of Puebla charged, as the newspapers reported, with complicity in his own capture and detention for ransom by Cordoba?

Mr. FIGUEROA. I have read that, sir.

Mr. KEARFUL. You recall also that the State Department of this Government made a demand for his immediate release upon the Mexican authorities and that the Mexican authorities resisted that demand and refused to release him? You recall that, do you?

Mr. FIGUEROA. I read something about that, yes.

Mr. KEARFUL. You also recall that the Mexican authorities suggested that he might be admitted to bail pending an investigation of the case and that Mr. Jenkins refused to give bail?

Mr. FIGUEROA. I think so.

Mr. KEARFUL. You remember also that subsequently to December 4 Mr. Jenkins was released upon bail having been given by an American named J. Salter Hansen?

Mr. FIGUEROA. I remember the fact; I don't remember the exact date.

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Mr. KEARFUL. What connection did you have, if any, with procuring the American, J. Salter Hansen, to furnish the bail for the release of Mr. Jenkins?

Mr. FIGUEROA. No one, so far as I know.

Mr. KEARFUL. Did you have any connection with that matter?

Mr. FIGUEROA. With that matter?

Mr. KEARFUL. Yes.

Mr. FIGUEROA. No; as far as I know.

Mr. KEARFUL. Do you know of a telegram having been sent by Rafael Nieto to Luis Cabrera with reference to that matter?

Mr. FIGUEROA. Yes, sir.

Mr. KEARFUL. Have you a copy of that telegram?

Mr. FIGUEROA. No, sir; I haven't got it.

Mr. KEARFUL. The subpœna served upon you notified you to bring a copy of the telegram.

Mr. FIGUEROA. Yes, sir.

Mr. KEARFUL. Did you have such copy?

Mr. FIGUEROA. No; because I have not got it.

Mr. KEARFUL. Were you in consultation with Mr. Rafael Nieto at the time he sent the telegram?

Mr. FIGUEROA. Well, not exactly consultation, sir. We had a little talk about that.

Mr. KEARFUL. Did you collaborate with him in the wording of the telegram?

Mr. FIGUEROA. I don't think so.

Mr. KEARFUL. Do you know what the telegram contained?

Mr. FIGUEROA. Yes.

Mr. KEARFUL. Will you state the substance of it, please?

Mr. FIGUEROA. It was only a suggestion to Luis Cabrera about paying the bail or getting the freedom of Jenkins.

Mr. KEARFUL. For what purpose?

Mr. FIGUEROA. The idea of Mr. Nieto, you ask?

Mr. KEARFUL. Yes.

Mr. FIGUEROA. Mr. Nieto was worrying on account of the situation, as I was myself—the international situation—and we thought it was fair, good for this country and maybe better for ours, to avoid the danger of a rupture.

Mr. KEARFUL. What suggestion was made in the telegram as to who might be procured to give the bail?

Mr. FIGUEROA. Nobody; it was a simple suggestion without giving any names.

Mr. KEARFUL. Are you acquainted with Mr. J. Salter Hansen?

Mr. FIGUEROA. I think I saw him once, but I don't know him.

Mr. KEARFUL. Where did you see him?

Mr. FIGUEROA. I think I saw him in New York City looking for Mr. Nieto one year or two years ago.

Mr. KEARFUL. Did you read the telegram that was sent to Luis Cabrera by Rafael Nieto?

Mr. FIGUEROA. I did read it.

Mr. KEARFUL. You did not?

Mr. FIGUEROA. I did.

Mr. KEARFUL. The telegram contained a suggestion that some American be secured?

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Mr. FIGUEROA. Absolutely not.

Mr. KEARFUL. Are you acquainted with Judge Delbert J. Haff, of Kansas City, Mo.?

Mr. FIGUEROA. Yes; I have met him.

Mr. KEARFUL. Was the matter of procuring some particular person to give bail discussed between you and Mr. Nieto?

Mr. FIGUEROA. Not at all.

Mr. KEARFUL. No suggestion was made about securing Judge Haff?

Mr. FIGUEROA. No, sir; I don't know where Judge Haff is. I saw him many months ago.

Mr. KEARFUL. You did not know he was in Mexico at that time?

Mr. FIGUEROA. No; I did not know.

Mr. KEARFUL. Did you know that Mr. Hansen was there?

Mr. FIGUEROA. I did not know.

Mr. KEARFUL. Are you acquainted with the provisions of the Mexican law with regard to furnishing bail for prisoners?

Mr. FIGUEROA. I have only an idea of that.

Mr. KEARFUL. Do you know that the Mexican law provides bail shall be given only when it is asked for by the prisoner or by his counsel or legal representative?

Mr. FIGUEROA. I would not like to discuss the legal phases of that matter because I am not an attorney.

Mr. KEARFUL. I asked you if you knew that to be so.

Mr. FIGUEROA. Well, I know something about that.

Mr. KEARFUL. Are you prepared to say whether you know that is so or not?

Mr. FIGUEROA. I am not prepared.

Mr. KEARFUL. Did you discuss that matter with Mr. Nieto at the time of sending the telegram?

Mr. FIGUEROA. No, sir; I repeat that Mr. Nieto and I only talked about the convenience of sending that suggestion; a plain suggestion, that is all.

Mr. KEARFUL. What is your business in this country, Mr. Figueroa?

Mr. FIGUEROA. I am a director of the Mexican National Railways in New York City.

Mr. KEARFUL. Is that your only business?

Mr. FIGUEROA. I am the president of the Transcontinental Publishing Corporation.

Mr. KEARFUL. Does that company publish a magazine?

Mr. FIGUEROA. De la Raza it is called; a Spanish magazine.

Mr. KEARFUL. What is the policy of that magazine with reference to the policy of the nationalization of properties?

Mr. FIGUEROA. I beg your pardon.

Mr. KEARFUL. What is the policy of that magazine with reference to the theory of the nationalization of properties?

Mr. FIGUEROA. That magazine does not treat about that. We don't write about that. It is a social magazine.

Mr. KEARFUL. Is this a copy of de la Raza for December, 1919?

Mr. FIGUEROA. Yes, sir.

Mr. KEARFUL. I notice in this issue of de la Raza an article entitled—I will not attempt to pronounce it.

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Mr. FIGUEROA. Let me pronounce it: "Vladimir Illyich Ulianof, alias Nicolas Lenine."

Mr. KEARFUL. That article is quite favorable to the present Russian régime, headed by Nicolas Lenine, is it not?

Mr. FIGUEROA. I have not read the article, sir. I am the president of the company, but I have nothing to do with the writings in the magazine. There is an editor.

Mr. KEARFUL. You control the company, do you not?

Mr. FIGUEROA. Well, I am one of the stockholders.

Mr. KEARFUL. Do you not have the control of it?

Mr. FIGUERA. No; the control is Dr. Ferrara.

Mr. KEARFUL. What is the extent of your ownership?

Mr. FIGUEROA. Thirty per cent.

Mr. KEARFUL. Do you hold any position under the present Mexican Government?

Mr. FIGUEROA. No, sir; only the one I mentioned before, one of the directors of the Mexican Railways in New York City.

Mr. KEARFUL. Are you a friend of Luis Cabrera?

Mr. FIGUEROA. Yes; I am.

Mr. KEARFUL. What position does he hold?

Mr. FIGUEROA. He is secretary of hacienda.

Mr. KEARFUL. That is equivalent to our Secretary of the Treasury?

Mr. FIGUEROA. Secretary of the Treasury; yes, sir.

Mr. KEARFUL. And what position does Rafael Nieto hold?

Mr. FIGUEROA. At the present time I do not think he has any official position.

Mr. KEARFUL. What was his position?

Mr. FIGUEROA. He was subsecretary of the treasury.

Mr. KEARFUL. Where is he now?

Mr. FIGUEROA. I understand he is in London.

Mr. KEARFUL. Is it not true that he went to Germany?

Mr. FIGUEROA. What do you say?

Mr. KEARFUL. Is it not true that he went to Germany from New York?

Mr. FIGUEROA. I do not think so, because I had a cablegram from him from London.

Mr. KEARFUL. Do you know whether or not he went to Germany or was intending to go to Germany for the purpose of arranging for a large colonization of Germans in Mexico?

Mr. FIGUEROA. I don't believe so, sir.

Mr. KEARFUL. He never discussed that with you?

Mr. FIGUEROA. Never.

Mr. KEARFUL. Have you ever heard Luis Cabrera express his opinion of what ought to be done with American citizens in Mexico?

Mr. FIGUEROA. Never, sir; but I would decline to discuss such a matter.

Mr. KEARFUL. You mean you would decline to testify about such a matter here?

Mr. FIGUEROA. Yes; because you are asking me questions about Mexico that I do not consider proper to answer.

Mr. KEARFUL. I hand you a yellow booklet entitled "The Conspiracy Against Mexico" and ask you when you first saw that?

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Mr. FIGUEROA. In this very moment.

Mr. KEARFUL. This is the first time you have seen it?

Mr. FIGUEROA. In this very moment, sir.

Mr. KEARFUL. I ask you to observe the cartoon on the cover which represented a hideous hairy hand with talons marked "Wall Street."

Mr. FIGUEROA. Yes.

Mr. KEARFUL. With the talons covering various portions of Mexico and ask you whether you recognize that as being the work of a Mexican cartoonist. You are familiar with Mexican cartoons that have been published in Mexico City?

Mr. FIGUEROA. Yes; I have seen many of them.

Mr. KEARFUL. Do you not recognize that hand as a typical Mexican cartoon?

Mr. FIGUEROA. Really it is very hard to say, sir.

Mr. KEARFUL. Do you know the name of the cartoonist that is there?

Mr. FIGUEROA. No; I do not know.

Mr. KEARFUL. This booklet has been distributed throughout this country by the Mexican consuls and by the Mexican ambassador in Washington, and I desire to direct your attention to certain extracts from this book.

Mr. FIGUEROA. Yes, sir.

Mr. KEARFUL. And ask you whether your position is in harmony with those statements. On page 16, referring to the Mexican constitution of 1917, I find this statement:

> It is without doubt the most democratic and humanitarian document in the Western Hemisphere.

You agree with that, I suppose?

Mr. FIGUEROA. I did not hear well, excuse me.

Mr. KEARFUL. Referring to the Mexican constitution of 1917 it is said:

> It is without doubt the most democratic and humanitarian document in the Western Hemisphere.

You agree to that, I suppose?

Mr. FIGUEROA. I would decline to answer that question.

Mr. DESVERNINE. You may decline to answer any questions expressing your opinion.

Mr. FIGUEROA. I decline to answer any questions about my country. I do not think it is proper.

Mr. KEARFUL. I am asking you as to your own position with reference to these matters; you having testified that you are connected with the magazine de la Raza that contains this article about Nicolas Lenine and the Russian system.

Mr. FIGUEROA. Yes.

Mr. KEARFUL. I continue:

> In fact, outside of soviet Russia no country in the world has taken such a step toward real liberty.

Is that your position? That has nothing to do with Mexico but only your position in this country under whose laws you are living.

Mr. FIGUEROA. I think I told you before that I am the president of the company of the Transcontinental Publishing Corporation and not the editor of the matters in the magazine.

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Mr. KEARFUL. I read again from page 18 of the same booklet.

Mr. FIGUEROA. All right.

Mr. KEARFUL (reading):

In fact, as mentioned before, soviet Russia, and also soviet Hungary (which was crushed by those who battled for five years to make the world safe for democracy—the imperialistic allied Governments)—these workers' soviet republics are the only countries that have produced constitutions of the people, as have also the Mexican revolutionists, though not as far advanced as the European revolutionists. If the Mexican constitution has not been put wholly into effect the cause lies more above the Rio Grande than below it. It even might have been worded stronger and made more really emancipating if the colossus of the north had not been in the minds of the framers.

Are those your sentiments?

Mr. FIGUEROA. I am not prepared to discuss that matter.

Mr. KEARFUL. On page 20 is this statement:

If the Mexican Government determines that the interests of the people demand that the oil deposits shall be nationalized, it has a right to go into the oil district of Tampico and tell the American, British, and other oil producers that from such and such a date the oil wells will be operated by the people for the benefit of all.

What have you to say about that?

Mr. FIGUEROA. I would decline to answer.

Mr. KEARFUL. Do you advocate such sentiments?

Mr. FIGUEROA. I would not like to discuss that matter.

Mr. KEARFUL. Do you expect to advocate sentiments of that kind in de la Raza?

Mr. FIGUEROA. I do not write in de la Raza.

Mr. KEARFUL. You have nothing whatever to do with the policy of the magazine?

Mr. FIGUEROA. Yes; to bring together all the Latin-American countries with the United States, as you can read in all of the issues of the magazine de la Raza.

Mr. KEARFUL. Do you think it would tend to bring together in happy harmony the Governments of Central and South America with the United States by printing articles favorable to the Russian system?

Mr. FIGUEROA. I have not read that article, sir.

Mr. KEARFUL. I ask you the question——

Mr. FIGUEROA. But I have read the previous issues and I am sure that if you do so you will see that really it has been the program of the magazine de la Raza.

Mr. KEARFUL. I ask you the question if you think it would tend to harmony between this country and Central and South America to print articles favorable to the Russian system?

Mr. FIGUEROA. I have not read the articles.

Mr. KEARFUL. I have not asked you that. I ask you what you think about that policy.

Mr. FIGUEROA. Well, I do not think it is a good policy.

Mr. KEARFUL. You do not agree then with the statements made in this yellow booklet which has been circulated by Mexican officials in this country?

Mr. FIGUEROA. I do not know the booklet, sir. I told you before, this is the first time I see it.

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Mr. KEARFUL. I read again from page 23 of the booklet:

Ever since Porfirio Diaz was driven out of power in 1910 the United States Government has threatened intervention. * * * The present Administration's actions are well known. One day President Wilson is for a thing, and the next day he changes.

While the present Administration has not actually intervened by force of arms, it has prevented the Carranza Government from carrying out all the reforms of the revolution by its protests and threats to Carranza whenever his government contemplated putting into effect those reforms.

Mr. FIGUEROA. I would decline to discuss that matter.

Mr. KEARFUL. Again, on page 24:

Franklin K. Lane and his associates on the American-Mexican Joint Commission were attempting to browbeat the Mexicans into yielding the guarantees demanded by the Rockefellers, the Guggenheims, the Dodges, and the Dohenys.

Have you any sympathy with that statement?

Mr. FIGUEROA. I repeat that I would not like to discuss it.

Mr. KEARFUL. Do you believe that is true?

Mr. FIGUEROA. I repeat that I would not like to discuss it.

Mr. KEARFUL. Do you believe it is true that Franklin K. Lane, Secretary of the Interior, and his associates on the American-Mexican Joint Commission, were attempting to "browbeat the Mexicans into yielding the guarantees demanded by the Rockefellers, the Guggenheims, the Dodges, and the Dohenys"?

Mr. FIGUEROA. Really, I could not imagine that; I don't believe it.

Mr. KEARFUL. You don't believe that is true?

Mr. FIGUEROA. I don't think so.

Mr. KEARFUL. Do you remember that while we were at war with Germany, a large number of Hindus were arrested and prosecuted in San Francisco? Do you remember the circumstance and the celebrated trial that lasted for several weeks, during which two of the Hindus were killed in the courtroom?

Mr. FIGUEROA. I have an idea that I read something.

Mr. KEARFUL. They were convicted of a conspiracy having for its purpose opposition to this country and its allies. I quote a statement from the yellow booklet with reference to that matter, appearing on page 29:

And whenever the Hindus get tired of the beneficence of their British masters and plan to throw off the yoke of imperialism, the heavy mailed fist is used to crush the disciples of liberty. When necessary, it reaches out across the sea and finds ready help from the imperialistic forces of other countries. Witness the present United States Government coming to the aid of British imperialism and imprisoning Hindu rebels in this country! If you are a friend of freedom, that should make you think—and act!

Do you agree with that sentiment published in the booklet sent out by the Mexican officials in this country?

Mr. FIGUEROA. By Mexican officials, you say?

Mr. KEARFUL. Yes. Do you agree with that sentiment? Do you think that the Hindus who were convicted in San Francisco were real disciples of liberty and that they were persecuted by this country?

Mr. FIGUEROA. I am not prepared to discuss the matter. I don't think so, they were. Really, I am not prepared to discuss that.

Mr. KEARFUL. You think they were treated fairly and were properly prosecuted, do you?

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Mr. FIGUEROA. That is my impression.

Mr. KEARFUL. I quote this final statement on page 29 of the yellow booklet:

We often hear about European imperialism, but how about American imperialism. All the weak Republics of Central America are well acquainted with this particular brand of imperialism. And the workers of these countries are among the worst-exploited and oppressed in either North or South America. When American capitalists can't manage the native governments, they call on the United States Government and soldiers are dispatched to the scene and government by foreign bayonets is established.

Do you believe that is true?

Mr. FIGUEROA. I don't think so.

Mr. KEARFUL. Are you personally acquainted with President Carranza?

Mr. FIGUEROA. Yes, sir.

Mr. KEARFUL. You are familiar with his policies?

Mr. FIGUEROA. I do not think that it is proper that you ask me such a question, sir.

Mr. KEARFUL. I did not ask you anything about his policies. I simply ask you if you are familiar with his policies; if you know him.

Mr. FIGUEROA. Anyway, I would refuse to discuss that.

Mr. KEARFUL. On June 14, 1919, at Mexico City President Carranza sent the following letter to Señor Lic. Manuel Aguirre Berlanga. What is his position in the Mexican Government?

Mr. FIGUEROA. He is the secretary of the interior.

Mr. KEARFUL (reading):

ESTEEMED FRIEND: Señor Lino Caballo, bearer of this letter, is the person who, in company with two friends, will bring to you the manifestos and the plan which they desire to put into practice in the State of Texas.

This plan being very favorable for Mexico, please aid them in every way and give the necessary instructions in the frontier States. I remain,

Your affectionate friend,

V. CARRANZA.

Do you know anything about a plan which it was the desire of President Carranza to put into practice in the State of Texas which would be very favorable for Mexico?

Mr. FIGUEROA. I do not believe there is one letter of truth in that.

Mr. KEARFUL. You do not believe that President Carranza sent such a letter?

Mr. FIGUEROA. I feel absolutely sure that is a lie.

Mr. KEARFUL. Why do you feel that so strongly?

Mr. FIGUEROA. Well, that is my conviction; but really I would not like to discuss that matter.

Mr. KEARFUL. Are you acquainted with a lady known as Senorita Hermila Galindo?

Mr. FIGUEROA. I don't know her.

Mr. KEARFUL. You have heard of her, have you?

Mr. FIGUEROA. What do you say?

Mr. KEARFUL. You have heard of her? You know her by reputation?

Mr. FIGUEROA. Yes; in American newspapers I have heard something about her.

Mr. KEARFUL. You know that she is the author of a book entitled "The Carranza Doctrine," do you not?

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Mr. FIGUEROA. I have read that in the American newspapers.

Mr. KEARFUL. You have never seen the book yourself?

Mr. FIGUEROA. Never, sir.

Mr. KEARFUL. The following letter was addressed to Miss Galindo by President Carranza. This is a translation, of course.

Mr. FIGUEROA. Yes.

Mr. KEARFUL (reading):

MEXICO, D. F., *June 29, 1919.*

MISS HERMILA GALINDO,
Ignacio Ramirez Street, No. 6, City:

ESTEEMED YOUNG LADY: It is necessary that your book "The Carranza Doctrine," be finished in a short time, since I desire that you immediately proceed to write a second part of it, for which purpose I shall shortly send you a blue-book, which we are about to publish and which will serve to justify the attitude of my government in its systematic hostility toward foreign speculators, especially Americans and English.

Do not forget my injunction to describe in lively colors the tortuosity of the American policy with relation to our country, causing the figure of Wilson to stand well out as the director of that policy. I also enjoin you to be very careful about the corrections which I have made in the original (manuscript) which you brought me.

I salute you affectionately.

V. CARRANZA.

I should like to ask you, if you know, what you understand President Carranza to mean when he speaks of his Government's systematic hostility toward foreign speculators, especially Americans and English?

Mr. FIGUEROA. In the first place, I do not believe that President Carranza has written that letter. It is too stupid.

Mr. KEARFUL. You think President Carranza would not be stupid enough to write such a letter?

Mr. FIGUEROA. Absolutely not.

Mr. KEARFUL. Even if he entertained those sentiments?

Mr. FIGUEROA. Well, [after long pause], I resent, Mr. Judge, your questioning me in such a way. I don't think it is proper.

Mr. KEARFUL. Do you know of any systematic hostility toward foreigners by the Mexican Government?

Mr. FIGUEROA. I refuse to answer that question.

Mr. KEARFUL. You are informed, I assume, with respect to the diplomatic controversy that has arisen between the Department of State of this Government and the Mexican Government with reference to the oil properties?

Mr. FIGUEROA. I know something about that; I have read it; but I repeat that I would decline to discuss such matters as to my country.

Mr. KEARFUL. Is it your opinion that the Mexican Government had a right to nationalize the oil properties for the benefit of the people and take them away from the foreign owners?

Mr. FIGUEROA. I decline to discuss that matter.

Mr. KEARFUL. I am only calling for your own opinion, not for the opinion of your government or anybody connected with your government. That bears upon your enterprise in this country in connection with de la Raza.

Mr. FIGUEROA. That is the third time I told you I do not write in the magazine de la Raza.

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Mr. KEARFUL. Do you object to giving your opinion of the right of the Mexican Government to nationalize the oil properties?

Mr. FIGUEROA. I do decline to discuss that matter.

Mr. KEARFUL. Have you seen the bluebook which is mentioned in this letter that I have just quoted from Carranza to Miss Galindo?

Mr. FIGUEROA. No, sir; I have never seen it.

Mr. KEARFUL. What do you understand to be the so-called Carranza doctrine?

Mr. FIGUEROA. I decline to talk about that question.

Mr. KEARFUL. Is it the Carranza doctrine, in substance, that foreigners in Mexico have no right to appeal to their own Government under any circumstances, notwithstanding the property which they own may be taken away from them?

Mr. FIGUEROA. I decline to discuss that matter.

Mr. KEARFUL. Do you understand the consequences of refusing to testify about a matter of fact within your own knowledge?

Mr. FIGUEROA. I do not know exactly the consequences, but, anyhow, I do decline to discuss matters of my country.

Mr. KEARFUL. You are living in this country under the protection of its laws, and you are connected with a magazine which, from an article in the December number, seems to indicate a policy favorable to the Russian Bolsheviki, and you decline to testify to your own convictions in regard to the nationalization of property, which is one of the prime elements of the Russian system.

Mr. FIGUEROA. Speaking again of the magazine, I say I am not the writer of the magazine, and it is one article signed by somebody. If you see dozens and dozens of the magazines, you will see that its policy has been very, very friendly to this country.

Mr. KEARFUL. You say that you have no commission of any kind from the Mexican authorities in this country?

Mr. FIGUEROA. Absolutely none.

Mr. KEARFUL. You have nothing to do with the Mexican secret service in this country?

Mr. FIGUEROA. No, sir.

Mr. KEARFUL. Is there anything further that you would like to state, Mr. Figueroa?

Mr. FIGUEROA. I do not think so, sir.

Mr. KEARFUL. The committee is very much obliged to you for your kindness in attending, and if you will make out a voucher for your traveling expenses and subsistence here it will be paid.

Mr. FIGUEROA. I thank you very much, sir.

Mr. KEARFUL. The matter of your refusal to answer certain questions will be considered and a determination made as to whether any further action will be taken in that respect.

Mr. FIGUEROA. All right, sir.

Mr. DESVERNINE. You might have it stated on the record that as to some of the questions which Mr. Figueroa refused to answer they contained the questioner's interpretation and construction and conclusion of legal documents and political theories and opinions which are not necessarily correct.

Mr. KEARFUL. That suggestion will be received and considered for what it is worth.

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I think we will adjourn until 2 o'clock. I wish you would be here at that time.

Mr. DESVERNINE. Do you want me to come back?

Mr. KEARFUL. Yes; I think so.

Mr. FIGUEROA. Do you want me to come back also?

Mr. KEARFUL. No, sir.

(Witness excused.)

(Whereupon, at 12.10 o'clock p. m., a recess was taken until 2 o'clock p. m.)

AFTER RECESS.

The hearing was resumed at the expiration of the recess.

Mr. KEARFUL. Mr. Desvernine, will you answer some questions, please?

Mr. DESVERNINE. Surely.

TESTIMONY OF RAOUL EUGENE DESVERNINE.

(The witness was duly sworn.)

Mr. KEARFUL. Please state your full name.

Mr. DESVERNINE. Raoul Eugene Desvernine.

Mr. KEARFUL. What is your business?

Mr. DESVERNINE. I am a lawyer.

Mr. KEARFUL. What is your address?

Mr. DESVERNINE. 24 Broad Street, New York City, is my business address.

Mr. KEARFUL. With what firm?

Mr. DESVERNINE. I am a member of the firm of Hornblower, Miller, Garrison & Potter.

Mr. KEARFUL. You appeared here this morning as counsel for the witness, Emiliano Lopez Figueroa?

Mr. DESVERNINE. I did.

Mr. KEARFUL. You advised him, as I understand, that he need not answer any questions he did not want to answer, because nothing could be done with him upon his refusal; is that so?

Mr. DESVERNINE. I did not.

Mr. KEARFUL. Did you not give him such advice while you were in the hall in the presence of Mr. Paleri?

Mr. DESVERNINE. I did not.

Mr. KEARFUL. Do you know Charles A. Douglas?

Mr. DESVERNINE. I do.

Mr. KEARFUL. What position does he hold with reference to the Carranza Government?

Mr. DESVERNINE I do not know.

Mr. KEARFUL. You are not aware that he has been personal counsel in this country for Mr. Carranza for some years?

Mr. DESVERNINE. I knew that he was.

Mr. KEARFUL. Do you know now that he is not now?

Mr. DESVERNINE. I do not.

Mr. KEARFUL. What is your association, if any, with President Carranza?

Mr. DESVERNINE. Our firm is counsel for the Mexican financial agency in the city of New York.

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Mr. KEARFUL. Have you personally been employed to supplant Judge Charles A. Douglas as President Carranza's personal adviser?

Mr. DESVERNINE. I have not.

Mr. KEARFUL. Who composes the financial agency of Carranza in New York?

Mr. DESVERNINE. Do you mean who are the officials at the agency?

Mr. KEARFUL. Who are the members?

Mr. DESVERNINE. The only one I know is the financial agent, Dr. Alfredo Caturegli.

Mr. KEARFUL. Is he in this country at the present time?

Mr. DESVERNINE. He was two weeks ago to my knowledge.

Mr. KEARFUL. Is he here now?

Mr. DESVERNINE. I do not know; I have not seen him in two weeks.

Mr. KEARFUL. When were you last in Mexico?

Mr. DESVERNINE. During the months of April, May, June, and July.

Mr. KEARFUL. Of the present year?

Mr. DESVERNINE. Yes; 1919.

Mr. KEARFUL. While there did you meet an American named J. Salter Hansen?

Mr. DESVERNINE. I did.

Mr. KEARFUL. He is the person, you recall, who furnished the bail for the release of Consular Agent Jenkins?

Mr. DESVERNINE. So I read in the papers.

Mr. KEARFUL. Did you know J. Salter Hansen in this country?

Mr. DESVERNINE. I did not.

Mr. KEARFUL. Do you know whether he is the same J. S. Hansen whose address was No. 172 West Seventy-second Street, New York City?

Mr. DESVERNINE. I do not.

Mr. KEARFUL. Do you know what his occupation was or is?

Mr. DESVERNINE. No, sir; I do not.

Mr. KEARFUL. Do you know where he is?

Mr. DESVERNINE. I do not.

Mr. KEARFUL. How old does he appear to be?

Mr. DESVERNINE. He appears to me to be a man probably 40 to 45.

Mr. KEARFUL. Does he appear to be a native American?

Mr. DESVERNINE. Yes; I would say so.

Mr. KEARFUL. Do you know whether or not the J. Salter Hansen you met in Mexico City is the same person who is charged in the court of general sessions of New York City with an offense of committing an abuse upon a young girl and who was released on bail and defaulted?

Mr. DESVERNINE. I do not.

Mr. KEARFUL. You have heard about the circumstances of a telegram being sent by Rafael Nieto to Luis Cabrera in regard to the program for the release of Consular Agent Jenkins?

Mr. DESVERNINE. I have.

Mr. KEARFUL. Did you have anything to do with the preparation of that telegram?

Mr. DESVERNINE. Absolutely nothing.

Mr. KEARFUL. Did you have any consultation with Mr. Lopez Figueroa or Rafael Nieto previous to its being sent?

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Mr. DESVERNINE. Absolutely none.

Mr. KEARFUL. Do you know where the telegram was prepared?

Mr. DESVERNINE. I do not.

Mr. KEARFUL. Do you know whether you or any member of your firm was consulted with reference to the sending of that telegram?

Mr. DESVERNINE. I do know that nobody, no member of our firm, was consulted respecting the sending of that telegram.

Mr. KEARFUL. Are you familiar with a recent bill passed by the Mexican Senate with reference to oil matters?

Mr. DESVERNINE. I am.

Mr. KEARFUL. Have you a copy of it?

Mr. DESVERNINE. Not with me.

Mr. KEARFUL. I had a copy, but I have mislaid it.

Mr. DESVERNINE. I am fairly familiar with it, because I took the trouble of translating it into English myself; I am fairly familiar with it.

Mr. KEARFUL. What was the substance of that bill with reference to its enforcement of the Carrancista doctrine of nationalization of oil properties?

Mr. DESVERNINE. When you say the Carrancista doctrine of nationalization of oil properties, I suppose you refer to article 27 of the present constitution.

Mr. KEARFUL. Yes.

Mr. DESVERNINE. And the existing decrees of the President putting into effect article 27?

Mr. KEARFUL. And the correspondence between the Mexican Government and our State Department with reference to the matter.

Mr. DESERVNINE. I would say—this is my interpretation—that the present bill, which passed the Mexican Senate, enforces the principles of article 27 of the constitution and the existing decrees.

Mr. KEARFUL. What effect did the passage of that bill have upon the operations of the financial agency of Carranza in New York?

Mr. DESERVNINE. None.

Mr. KEARFUL. What negotiations, if any, were had by this financial agency with reference to securing financial aid for the Carranza government?

Mr. DESERVNINE. The agency never conducted any negotiations to my knowledge.

Mr. KEARFUL. Have you or your firm been concerned in the conduct of any such negotiations?

Mr. DESVERNINE. We have.

Mr. KEARFUL. What effect did the recent oil bill passed by the Mexican Senate have upon those negotiations?

Mr. DESVERNINE. No effect whatsoever.

Mr. KEARFUL. What was the prospect of favorable outcome of negotiations before the passage of that bill?

Mr. DESVERNINE. Well, the negotiations had gotten to a period where they were just permitted to remain in statu quo; they were not continued at all.

Mr. KEARFUL. So your answer——

Mr. DESVERNINE. Therefore, I would say that this bill in no wise affected the pending negotiations to my knowledge.

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Mr. KEARFUL. You wish to be understood as saying that the negotiations being dormant, after the passage of this bill they still remained so?

Mr. DESVERNINE. I do; that is, that we made no attempt to revive them, or nothing has been done whatsoever since the passage of that bill. The loan or anything has not been discussed in any way whatsoever.

Mr. KEARFUL. What is your opinion of the prospect of favorable result of the negotiations or unfavorable, as a result of the passage of that bill?

Mr. DESVERNINE. It would be my opinion that the negotiations would be greatly jeopardized by the passing of that bill.

Mr. KEARFUL. What advice did you give to your client, Mr. Emiliano Lopez Figueroa, as to whether he could be compelled to answer questions before the committee?

Mr. DESVERNINE. I read him a copy of the various sections of the Revised Statutes conferring the right upon a committee of Congress to require the attendance and examination of witnesses; I read him a copy of the two Senate resolutions creating this committee, and advised him that this committee, in my opinion, had the right to require the attendance and examination of witnesses, but it was doubtful, in my mind, as to whether or not they had such right respecting alien residents.

Mr. KEARFUL. You believe, then, that because a resident of this country is an alien he may defy the power of the Senate and Senate committees to cause him to testify as to facts within his knowledge?

Mr. DESVERNINE. I have not said so.

Mr. KEARFUL. Well, you said that you had a doubt about it.

Mr. DESVERNINE. I did. An examination of the law discloses that there is no precedent by any court which has so construed the statutes, so far as my examination went. I simply reported to him my examination of the authorities without any conclusions.

Mr. KEARFUL. You think that there is a doubt about the power of the Senate and Senate committees to require a man to testify to facts within his knowledge and relevant to the matter in inquiry, simply because he is a citizen of another country?

Mr. DESVERNINE. I will say that my examination of the law led me to that conclusion.

Mr. KEARFUL. That is all, unless you have some further statement you desire to make.

Mr. DESVERNINE. No; absolutely no statement.

Mr. KEARFUL. Thank you.

(Witness excused.)

(Mr. Philip Paleri was thereupon sworn as interpreter to interpret testimony of Mr. Rafael Martinez Carrillo.)

TESTIMONY OF MR. RAFAEL MARTINEZ CARRILLO.

(The witness was duly sworn.)

Mr. KEARFUL. Please state your full name for the record.

Mr. CARRILLO. Rafael Martinez Carrillo.

Mr. KEARFUL. What is your profession?

Mr. CARRILLO. A lawyer.

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Mr. KEARFUL. I will say whenever you have any doubt about your ability to express yourself perfectly in English you can speak in Spanish, and Mr. Paleri, the interpreter, will interpret it.

Mr. CARRILLO. To save your time.

Mr. KEARFUL. What is your address?

Mr. CARRILLO. My present address is 46 Cedar Street, New York City.

Mr. KEARFUL. What is your citizenship?

Mr. CARRILLO. Mexican.

Mr. KEARFUL. How long since you have been in Mexico?

Mr. CARRILLO. I left Mexico September, 1914.

Mr. KEARFUL. That was shortly after the entry of the Carrancista forces into Mexico City?

Mr. CARRILLO. One month later.

Mr. KEARFUL. Where did you live in Mexico?

Mr. CARRILLO. Independence Avenue, No. 39.

Mr. KEARFUL. You were practicing your profession there at that time?

Mr. CARRILLO. Yes, sir.

Mr. KEARFUL. Why did you leave Mexico?

Mr. CARRILLO. If you will permit me to make a statement before I answer that question, I will appreciate that. In the first place, for my part, I make the statement that was made this morning by Mr. Lopez Figueroa about the testimony of the Mexicans relating to the Mexican inside policies. After that I will say that I wish it be understood perfectly clear that I am not a Carrancista, nor am I connected with the Carranza government, nor can my feelings, my relations, or my thoughts in any way be connected with such a faction. In the first place, because that faction was put in power by the help of President Wilson. So that, as a Mexican, I reject any foreign interference in our Mexican internal affairs. The other reasons for which I do not agree with that faction I do not want to express now or in answer to any question that you may ask me, for the very reason that I do not like that the foreign branch of Government, expressing as this committee of the United States is doing, about the Mexican situation.

Mr. KEARFUL. I will suggest, Mr. Carrillo, you speak in Spanish and stop every sentence or two and let him translate.

Mr. CARRILLO (through the interpreter). Because I do not agree with interference of a foreign power in the Mexican internal situation. For this reason I do not like to testify officially before the Senate committee on internal questions of my country, although I refer to myself. For this reason I am not to express the other reasons for which the Carranza Government does not satisfy me.

Mr. KEARFUL. I understand that you are an exile from Mexico?

Mr. CARRILLO. Yes, sir.

Mr. KEARFUL. And that it would be unsafe for you personally to return to Mexico?

Mr. CARRILLO. Certainly.

Mr. KEARFUL. Do you possess properties in Mexico?

Mr. CARRILLO. Yes, sir.

Mr. KEARFUL. In what State?

Mr. CARRILLO. The State of Puebla.

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Mr. KEARFUL. What has become of your properties in the State of Puebla?

Mr. CARRILLO. Some are taken by the Government, some are given to the Indians, and the others are ruined by the revolution. They have stolen all the mules and cattle and everything.

Mr. KEARFUL. By whom were the mules and cattle and everything stolen?

Mr. CARRILLO. Some by thieves, some more by the forces of Carranza.

Mr. KEARFUL. When did these transactions occur?

Mr. CARRILLO. All during five years at different times.

Mr. KEARFUL. During the five years which you have been absent from Mexico?

Mr. CARRILLO. Yes, sir.

Mr. KEARFUL. What was the extent of your properties in Puebla?

Mr. CARRILLO. It must be about 2,000 acres.

Mr. KEARFUL. Two thousand acres?

Mr. CARRILLO. Something like that.

Mr. KEARFUL. So this——

Mr. CARRILLO. No, no; about 3,000 acres; I think between 2,000 and 3,000. I want to say about 3,000 hectares, and I think a hectare is about 2½ acres, each hectare.

Mr. KEARFUL. And you have about 3,000 hectares?

Mr. CARRILLO. Which means 2½ acres to each hectare.

Mr. KEARFUL. That would be about 7,500 acres.

Mr. CARRILLO. Something like that.

Mr. KEARFUL. Was this land under cultivation?

Mr. CARRILLO. Most of it, and there are mountains.

Mr. KEARFUL. And was the place stocked with mules and implements and everything for cultivation?

Mr. CARRILLO. In full.

Mr. KEARFUL. And all those things have been taken?

Mr. CARRILLO. Yes, sir.

Mr. KEARFUL. Why did you feel compelled to leave Mexico?

Mr. CARRILLO. Well, because I understood I could not be safe there.

Mr. KEARFUL. When do you expect to return to Mexico?

Mr. CARRILLO. I do not know.

Mr. KEARFUL. Upon what event would it be safe for you to return to Mexico?

Mr. CARRILLO. Well, as soon as justice reigns in my country.

Mr. KEARFUL. Are you acquainted with American Consular Agent W. O. Jenkins?

Mr. CARRILLO. Yes, sir; he is my friend.

Mr. KEARFUL. You heard the testimony of Mr. Lopez Figeruoa this morning?

Mr. CARRILLO. Yes, sir; I did.

Mr. KEARFUL. In regard to the sending of a telegram by Rafael Nieto to Luis Cabrera for the purpose of procuring the release of Mr. Jenkins from prison?

Mr. CARRILLO. Yes, sir; I did hear it.

Mr. KEARFUL. What do you know about the formulation of that telegram?

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Mr. CARRILLO. Nothing at all.

Mr. KEARFUL. Did you have any conversation with Lopez Figueroa or Rafael Nieto with reference to the sending of the telegram?

Mr. CARRILLO. Yes, sir; not about the telegram, but about the case.

Mr. KEARFUL. Did you make any suggestion in regard to the matter of the case?

Mr. CARRILLO. Yes, sir; I did.

Mr. KEARFUL. What was that?

Mr. CARRILLO. That I have read in the newspapers that the court at Puebla had granted Jenkins to be free on bail of 1,000 pesos, which means $500, and one evening that I left my office later than usual I read in the Evening Sun the sharp note of the Department of State to Carranza requesting that Jenkins be put free. I understood that if Carranza surrendered that would be a very bad precedent for the justice of my country, if at any time any foreign country can ask by its Government that a person that is under authority of the Mexican court be free. So I think that would be a very bad precedent for Mexico to surrender. On the other side, I thought that if Carranza does not surrender the United States can interfere there, make intervention, and in case of intervention it would be harmful to both countries, and especially to Mexico. So that I think that if somebody would give the bail or give the money the matter could be settled in a good way for both Governments. As I have no relation with any person in that Government and as Mr. Lopez Figueroa is a friend of mine, the same evening I called up his home by phone and he was not there, so the next morning I called him again by phone. He told me that he liked the idea and if I would be pleased to go to his office and talked about that. I went immediately over there and I told him that I was ready myself to give the bail, the money; that I have some relatives who live in Puebla, and that I could send a telegram requesting them to give the bail or give the money. Mr. Figeruoa answered me that he did not know anything about law, but he likes the idea, and Mr. Nieto is there and he will call to see him. So he called Mr. Nieto. Mr. Nieto came in. Mr. Figueroa introduced me to Mr. Nieto and he came with me. I told him the idea. Mr. Nieto told me that he liked it. And so I left them in that office, and I knew nothing more until after two days when I read in the newspaper that Mr. Jenkins had been released.

Mr. KEARFUL. This occurred at the office of the magazine de la Raza?

Mr. CARILLO. No, sir; I do not know where is the office of the magazine de la Raza. This is a private office of Mr. Figueroa in 120 Broadway.

Mr. KEARFUL. Are you acquainted with Mr. Caturegli, the financial agent of the Carranza Government in New York?

Mr. CARILLO. Only by sight. I have talked with him socially two or three times in my life.

Mr. KEARFUL. Did you approach Mr. Caturegli in reference to this matter of releasing Jenkins before you spoke to Mr. Figueroa?

Mr. CARILLO. No, sir; I went to see Mr. Caturegli about 10 days before, because I read in the newspaper a letter that the Senator from Tennessee gave to the press referring to the Jenkins case saying that Mr. Jenkins has sent that letter. It seems to me that there was something very singular in that letter from the knowledge that I

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have of the City of Puebla, and I went to see Mr. Caturegli with the clipping of the newspaper, suggesting to him that it would be good if he would send by telegram all that letter so that all Puebla could see if Mr. Jenkins had the position before the court as stated in the New York paper, because I had the idea this was not so. Mr. Caturegli told me that probably the Mexican consul had already sent that news to Mexico. So I did not see him any more.

Mr. KEARFUL. You say that you are a lawyer?

Mr. CARILLO. Yes, sir.

Mr. KEARFUL. You are familiar with the law and procedure in Mexico?

Mr. CARILLO. I think a little.

Mr. KEARFUL. Do you know what are the provisions of the code of penal procedure in reference to releasing a prisoner under bail?

Mr. CARILLO. I do not remember at the present time exactly, but you have here some Mexican constitutions, that of 1857 or 1917.

Mr. KEARFUL. I will read to you the provision of article 443, chapter 3, of the code of penal procedure of Mexico, and Mr. Paleri will read it in Spanish.

Mr. CARILLO. I understand it.

Mr. KEARFUL (reading):

Liberty under bond may be asked by the party in interest, or by his defender, or by his legal representative.

Just repeat it in Spanish.

Mr. CARILLO. I understand it perfectly well.

(The quotation was translated by the interpreter.)

Mr. KEARFUL. And article 445 of the same law provides as follows:

When the motion is made the judge shall summon the parties, except the civil party, within the third day, to a hearing in which each one may allege whatever favors his right, and the corresponding decision, which shall be appealable in both effects, shall be pronounced immediately.

Will you repeat that?

Mr. CARILLO. I understand perfectly well, sir.

(The quotation was thereupon translated by the interpreter.)

Mr. KEARFUL. I quote now from the new codes of the federation, article 356:

Liberty under bond may be asked for by the party in interest, by his defender, or by his legal representative at any stage of the trial after the investigating declaration has been rendered.

(The quotation was translated by the interpreter.)

Mr. KEARFUL. And article 357 of the same law:

When the motion is made, the judge or court shall substantiate the incident in separate proceedings and without suspending the criminal procedure. In this incident the proofs of the party in interest offers shall be received with citation of the public bureau (attorney general's office). In the order in which the proofs are ordered received the parties shall be summoned to a hearing, which shall be held within three days, and at which the corresponding decision shall be pronounced, which shall be appealable in the effect of devolution (restored to its former state if the motion is sustained).

(The quotation was translated by the interpreter.)

Mr. CARRILLO. I know all those articles.

Mr. KEARFUL. Is it not clear from those articles that it is in violation of the law of Mexico for any person other than the prisoner or his counsel or his legal representative to apply for release under bail?

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Mr. CARRILLO. I do not think so. Those articles speak for themselves. You are saying in your question that from those articles it appears that nobody else but the prisoner or the defender or the legal representative. The articles do not say that. The articles give to those people the power and authority to do it, but do not forbid anybody else to do that.

Mr. KEARFUL. One moment. Is there any other provision of the law of Mexico that you can cite that gives to any other person the right to apply for release under bail?

Mr. CARRILLO. Yes; I must say this about that matter: In the State of Puebla they passed a special code; it is not the code of Mexico or the federal code. The State of Puebla has its own code. But, as I read it, the provision of that code is like this one—nearly like that. When I read the newspapers and I gave this advice it was with the understanding, according to what the newspaper said, that the release on bail was already accorded when they said the amount of 1,000 pesos.

Mr. KEARFUL. Without having been asked for?

Mr. CARRILLO. I do not know how that could be, without asking for it; but I know some more. The constitution that is the supreme law of the country, being that of 1857 or 1917—either of those—says that as long as it appeared that the indicted man deserved a penalty of less than five years in prison—something like that—he must be put free under bail. That is imperative. That is a guaranty for all men and it is the duty for the judge.

Mr. KEARFUL. Provided bail is requested; is not that so?

Mr. CARRILLO. No; it does not say that. If you have a Mexican constitution here, I can show you better, in order for you to have a full idea of my meaning; but I supposed that the release on bail was already considered, according to what the newspapers said. The state of the proceedings I do not know. I know only what the press said.

Mr. KEARFUL. Well, the press said, did it not, that in a communication from the department of foreign affairs in Mexico to the State Department of this country the prisoner could be released by giving bail in the sum of 1,000 pesos, and intimated that he could be released upon applying for and giving such bail. Is not that the news item you saw?

Mr. CARRILLO. Not exactly. As I read it, it was agreed to put him free under bail of 1,000 pesos; but by all means, according to our jurisprudence, according to the law of amparo, any man, any relative, or anyone taking an interest in the prisoner can act in his behalf.

Mr. KEARFUL. Over his objection?

Mr. CARRILLO. Over his objection—I do not know whether over his objection, because I think the matter is only a matter of civil effect and not of social or political or penal effects. If a man go and raise bail without the consent of the man in whose favor it is given then he would not have the right to collect the money he paid. If it is given with his consent then he has the right to be reimbursed it if he suffers some damage. For that reason I said to Mr. Figueroa that I was ready myself to give the money in behalf of Mr. Jenkins in order to make good to the Mexican Government and to the American Government.

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Mr. KEARFUL. You did not furnish the money yourself, did you?

Mr. CARRILLO. No; but I offered it myself to Mr. Figueroa.

Mr. KEARFUL. You presume, do you, that as a result of that telegram the money was furnished by Luis Cabrera?

Mr. CARRILLO. I know nothing about that, sir.

Mr. KEARFUL. Is it not true under the constitution of Mexico, either the constitution of 1857 or that of 1917, that the Federal tribunal alone has jurisdiction in criminal matters of consular agents of a foreign Government?

Mr. CARRILLO. Certainly never have I thought on that question until now, and for me I think not. Of course, that is a matter of opinion, because I have heard some others different. The Mexican constitution says the Federal tribunals would have jurisdiction over the matters of the diplomatic corps and the consular agents, but I understand that is equal to the American Constitution; the United States Constitution says the same. But I understand that that refers to the Mexican diplomatic corps and Mexican consular agents, so that if a Mexican consul does something wrong in New York, the Federal courts are entitled to know about the matter. It can not refer to the diplomatic corps, because you know that a diplomat enjoys immunity. So I believe that article refers only to the diplomatic Mexican corps and the Mexican consuls. Of course, that article could be understood in some other way, but according to my understanding it refers only to the Mexican diplomats. If the Mexican Ambassador does something here in the United States and can not be punished here he would be punished in Mexico under the authority of the Federal courts, not the State courts. That is the manner in which I understand that question.

Mr. KEARFUL. Do you not know that the Mexican Constitution of 1917 gives exclusive jurisdiction to the Federal courts not only of members of the diplomatic corps but also of consular agents?

Mr. CARRILLO. That is, that provision is equal to 1857 and equal to the Constitution of the United States of America.

Mr. KEARFUL. How then could it be possible that the State court of Puebla could take jurisdiction of an alleged offense by a consular agent when the constitution itself provides that only the Federal courts could have jurisdiction of such offenses?

Mr. CARRILLO. I told you, I believe, that article refers to the diplomatic corps of Mexico, to the Mexican representatives abroad and the Mexican consular agents abroad, because the United States Ambassador in Mexico is by no means under the Mexican authority. It can not refer to that diplomatic corps, because you know that the American Ambassador in Mexico has immunity. For that reason I do not think that article refers.

Mr. KEARFUL. You think that article then has no reference whatever to American diplomatic representatives or American consuls in Mexico?

Mr. CARRILLO. That is my opinion, and it is more so because the United States Constitution has an equal provision and several consuls here in the United States have been indicted by the courts of the States of the United States notwithstanding that provision of the United States Constitution.

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Mr. KEARFUL. Of course, he would have to object to the jurisdiction of the court, and if he failed to object the court could proceed.

Mr. CARRILLO. Of course.

Mr. KEARFUL. You took no steps yourself to procure any of your relatives in Puebla to have Jenkins released by giving bail?

Mr. CARRILLO. No, sir.

Mr. KEARFUL. Why did not you do that instead of going to Mr. Figueroa?

Mr. CARRILLO. Beecause I believed that as this matter was referring to the international relations between the two Governments, it would be better done to do it without the knowledge of the Carranza government; and as I have no relations with that government, it would be necessary for me to say, as I explained to Mr. Figueroa, that I was not in favor of the Carranza government, but in behalf of my own country and in behalf of the United States, not because I believe that the United States would be a weak nation—I know how powerful it is—but I think notwithstanding it would be a dangerous step to have armed intervention in Mexico, and that is what I want to avoid by all means. It was the only idea I had, and Mr. Figueroa understood that perfectly well, the same as Mr. Nieto.

Mr. KEARFUL. Was any suggestion made that the release should be procured to be effected by some American down there?

Mr. CARRILLO. No, sir; I could not make any suggestion myself, so I said, "They don't like me." I understood there would be some other Mexicans in Puebla that would be ready to give that money.

Mr. KEARFUL. How did you understand that? Had you received communications?

Mr. CARRILLO. No; because I understand all Mexicans have feelings like mine.

Mr. KEARFUL. What induced you to feel that there was danger of American intervention in Mexico on account of Jenkins?

Mr. CARRILLO. Because that note was the second, and was in such a sharp manner that the man be free, and Jenkins a man of great capital, has millions, and don't want to give a bail of $500; that means that he is looking for some difficulty between both countries.

Mr. KEARFUL. That is not the first or the second sharp note that you have known to be addressed by this country to Mexico?

Mr. CARRILLO. No; the second. The first I don't remember about. It said that Carranza was only—it went to show the lack of—in order to mislead the public of Mexico and the United States about his lack of power to control Mexico, he was trying to prosecute Jenkins, something like that, and finished with some threat. That, of course, I understood must be very serious when it come from the chancellery of the Government. For that reason I would like by all means that that would be settled in some manner that would be dignified for the Mexican Government and for the United States, because, being free, Mr. Jenkins is now in better position to prove his innocence, if he is innocent. He can do it much better than if he was in jail.

Mr. KEARFUL. You really believed, then, that the sharp note, or at least the second sharp note, that was sent demanding the release of Jenkins meant what it said?

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Mr. CARRILLO. I supposed so. Had it not been for that I would not worry.

Mr. KEARFUL. You can recall to mind quite a number of sharp notes that were sent to Mexico that produced no effect?

Mr. CARRILLO. More, unfortunately. It is true what you are saying, exactly; but we can not know if some time there could be something bad, and especially, when I could see in this case that Mr. Jenkins refused or did not want to give the bail of $500, which was nothing for him.

Mr. KEARFUL. You did not know when the time might come when the last straw might break the camel's back?

(Question translated by the interpreter.)

Mr. CARRILLO. It could be; it could be, exactly.

Mr. KEARFUL. Are you personally acquainted with Luis Cabrera?

Mr. CARRILLO. Yes, sir; he has been in my office in Puebla two or three times. Those are the only times I have seen him.

Mr. KEARFUL. You have not seen him since your exile from Mexico?

Mr. CARRILLO. Oh, no; it was much before. I told you I lived in Puebla City before I moved to Mexico, and because of some business he had in Puebla he wanted to look for my help in that case.

Mr. KEARFUL. You are not familiar, then, with his recent sentiments of friendship toward Americans?

Mr. CARRILLO. No, sir; I wrote him a letter about five years ago, before I left Mexico, and he did not answer that letter, so that I have not any relation with him.

Mr. KEARFUL. Is there any further statement that you would like to make to the committee?

Mr. CARRILLO. No, sir.

Mr. KEARFUL. Then the committee is very much obliged to you, and if you will sign a statement of your expenses, they will be paid you.

Mr. CARRILLO. Thank you very much, sir.

(Whereupon, at 3.05 o'clock p. m., the committee adjourned to meet on Monday, January 5, 1920, at 11 o'clock a. m.)

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INVESTIGATION OF MEXICAN AFFAIRS.

MONDAY, JANUARY 5, 1920.

UNITED STATES SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON FOREIGN RELATIONS,
Washington, D. C.

Testimony taken at Washington, D. C., January 5, 1920, by Francis J. Kearful, Esq., in pursuance of an order of the Subcommittee of the Committee on Foreign Relations of the Senate.

TESTIMONY OF MRS. CORA LEE STURGIS.

(The witness was duly sworn.)

Mr. KEARFUL. Please state your full name.

Mrs. STURGIS. Cora Lee Sturgis.

Mr. KEARFUL. What is your present place of residence?

Mrs. STURGIS. 1226 Irving.

Mr. KEARFUL. Northwest, Washington, D. C.?

Mrs. STURGIS. Yes, sir.

Mr. KEARFUL. You have been in Mexico, Mrs. Sturgis?

Mrs. STURGIS. Yes.

Mr. KEARFUL. When did you first go there?

Mrs. STURGIS. 1906.

Mr. KEARFUL. What State of Mexico were you in?

Mrs. STURGIS. Chiapas.

Mr. KEARFUL. What sort of industries do they have in Chiapas?

Mrs. STURGIS. Coffee growing, cattle, and chocolate growing, and henequen.

Mr. KEARFUL. It is an agricultural country, is it?

Mrs. STURGIS. An agricultural country, yes; an agricultural State.

Mr. KEARFUL. Is it good land?

Mrs. STURGIS. Oh, very fine land; some of the best land in Mexico.

Mr. KEARFUL. Were there many planters in Chiapas when you went there?

Mrs. STURGIS. Well, down around Pichucalco, but where we lived there were not very many.

Mr. KEARFUL. With whom did you go to Chiapas?

Mrs. STURGIS. With my husband, Dr. Charles T. Sturgis.

Mr. KEARFUL. And were your mother and father also there?

Mrs. STURGIS. No; they came down to see me in 1913 on a visit.

Mr. KEARFUL. In what business were you and your husband engaged?

Mrs. STURGIS. The raising of cattle and coffee.

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Mr. KEARFUL. How many acres of land did you have?
Mrs. STURGIS. Three thousand.
Mr. KEARFUL. Did you own this land?
Mrs. STURGIS. Yes, sir.
Mr. KEARFUL. Bought it and paid for it?
Mrs. STURGIS. Yes, sir.
Mr. KEARFUL. How many acres did you have in cultivation?
Mrs. STURGIS. We had 125,000 coffee trees—I can not tell you the number of acres we had in cultivation, but half of it was in cultivation.
Mr. KEARFUL. The remainder was grazing land?
Mrs. STURGIS. Yes, sir.
Mr. KEARFUL. Do you remember how many head of cattle you had?
Mrs. STURGIS. Well, when they raided us we had 300 head.
Mr. KEARFUL. And what year was that?
Mrs. STURGIS. 1917 and 1918.
Mr. KEARFUL. Did you have the place well stocked with work horses?
Mrs. STURGIS. Yes, sir.
Mr. KEARFUL. And provisions?
Mrs. STURGIS. Everything; we had a well-stocked farm; provisions of all kinds, medicines, horses, cattle, argicultural implements, and a great deal of coffee stored away.
Mr. KEARFUL. And you had some money on the premises?
Mrs. STURGIS. Yes.
Mr. KEARFUL. Pigs and chickens, etc.?
Mrs. STURGIS. Chickens and hogs and goats.
Mr. KEARFUL. What Government existed in Mexico at the time when you first went there?
Mrs. STURGIS. Diaz.
Mr. KEARFUL. Was there ever any disturbance or trouble in the State under the rule of Porfirio Diaz?
Mrs. STURGIS. Never; you were perfectly safe down there; never had any trouble.
Mr. KEARFUL. Did the people of the State of Chiapas revolt against Diaz?
Mrs. STURGIS. No indeed, they did not, and never did until they were made to.
Mr. KEARFUL. Was there any trouble under the rule of Francisco Madero?
Mrs. STURGIS. No; the people seemed to like him; the people liked Madero; they were somewhat contented with Madero.
Mr. KEARFUL. Madero fell in February, 1913, and Huerta assumed the presidency.
Mrs. STURGIS. Yes.
Mr. KEARFUL. Was there any trouble during Huerta's time?
Mrs. STURGIS. No; the people in that part of the country hardly knew Huerta was in. They did not have any trouble down there. They didn't have much trouble when Huerta was in.
Mr. KEARFUL. Huerta abdicated in July, 1914.
Mrs. STURGIS. Yes.
Mr. KEARFUL. When did the troubles begin in Chiapas?

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Mrs. STURGIS. Well, when we had our first trouble was in 1915, in November, when Carranza sent his troops to our place and drove all our servants away—all our workers away.

Mr. KEARFUL. And there never was any trouble in Chiapas until the Carrancistas came in?

Mrs. STURGIS. No; not to speak of.

Mr. KEARFUL. Was it safe to travel in any part of the country during the time of Porfiro Diaz?

Mrs. STURGIS. Oh, yes; you could travel at night and you could carry any amount of money with you, because we traveled at that time, too; there never was any trouble there. You were safer there than you are right here in Washington right now. Everything was safe in Diaz's administration; everybody was making money and everybody was contented.

Mr. KEARFUL. What was the attitude of the natives toward you and other foreigners in Chiapas?

Mrs. STURGIS. Why, the workers of the State of Chiapas would rather work for Americans then for the natives.

Mr. KEARFUL. What was the reason?

Mrs. STURGIS. Because we paid them better and treated them better.

Mr. KEARFUL. What was your first troublesome experience and when was it?

Mrs. STURGIS. It was in November. The first trouble we had was in November, 1915, when Carranza sent his troops to our plantation and drove all our workers away.

Mr. KEARFUL. Who was in command of the troops?

Mrs. STURGIS. Felisando Gonzales.

Mr. KEARFUL. Did he claim to be a Carrancista?

Mrs. STURGIS. Oh, yes; he commanded in a little town just 4 leagues from where we lived.

Mr. KEARFUL. What representations did he make to the native workmen in order to get them to join the army?

Mrs. STURGIS. He said to them, "Don't you want to mount your patron's horse and put on his spurs and be a señor?" Be a mister, you know, a great man.

Mr. KEARFUL. And what representations did he make in regard to looting and dividing property?

Mrs. STURGIS. He said: "We are going to drive out all the foreigners and divide their property up among the followers of Tata Carranza"—Father Carranza, that is.

Mr. KEARFUL. Tata is an affectionate term meaning daddy or something like that?

Mrs. STURGIS. Yes; that is it.

Mr. KEARFUL. Daddy Carranza?

Mrs. STURGIS. Yes. Among the Indians and the ignorant class of people that is what they call him, Tata Carranza. And he is a daddy all right among the people down there. He has certainly complied with his word.

Mr. KEARFUL. Please proceed and describe the experiences that you had one after another.

Mrs. STURGIS. Well, that was our first experience. Then, in 1917, we were attacked by Capt. Julio Castigan and Capt. Garcia, Federal captains.

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Mr. KEARFUL. Carrancistas?

Mrs. STURGIS. Yes, sir; Carrancistas.

Mr. KEARFUL. What did they do?

Mrs. STURGIS. They came to our house about 8 o'clock at night and accused us of having rebels hidden in our house.

Mr. KEARFUL. Before you relate that, what was the effect upon the operation of your plantation of the representations that were made by the Carrancistas in regard to dividing up the land and taking the property?

Mrs. STURGIS. Why, the servants did not want to go away; they cried and did not want to go away, but they told them if they did not go away they would hang them.

If we catch you back working for these gringos we are going to hang you. We are going to take their property and divide it up.

Mr. KEARFUL And what effect did that have on the operation of your plantation?

Mrs. STURGIS. Why, we lost everything; we lost all our crop. It was just in November, the coffee picking season, and we lost all our coffee crop that year, and we lost our corn and everything we had.

Mr. KEARFUL. Did they take anything from the place at that time?

Mrs. STURGIS. No; just the servants; drove them away, all the workers; they took nothing else at that time.

Mr. KEARFUL. Have you been able to work the place from then on?

Mrs. STURGIS. No, sir; from that time on we could not do anything at all.

Mr. KEARFUL. You stayed on there after that, however?

Mrs. STURGIS. Yes, sir; because the American Government advised us to stay.

Mr. KEARFUL. You say the American Government advised you to stay?

Mrs. STURGIS. Yes; we had advice from the American consul in Frontera Diaz telling us to stay.

Mr. KEARFUL. You have heard the advices given to Americans to leave their places in Mexico, have you not?

Mrs. STURGIS. We never were advised to leave. We left word with the American authorities in Pichucalco and in San Juan and Frontera to advise us if there was anything serious, because we were in the interior of Chiapas and we had no mails at that time; the mails did not come through, and we told them to advise us if there was anything serious.

Mr. KEARFUL. You remember the incident of the taking of Vera Cruz in 1914?

Mrs. STURGIS. Yes; when Huerta was in.

Mr. KEARFUL. Did you have any trouble at that time?

Mrs .STURGIS. No; it did not seem to affect the people much down there.

Mr. KEARFUL. There were no Carrancistas in there then?

Mrs. STURGIS. No; there were no Carrancistas in there then; there were Huertistas and Maderistas—that is what they call them. I call some of these names in Spanish. If you don't understand them, just tell me.

Mr. KEARFUL. What happened then, upon the occasion of the second visit to your plantation?

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Mrs. STURGIS. They made us prisoners and beat us with their guns, my husband, my mother, and myself, and then they brought me out of the corner of the room—they had pushed us into the corner of the room and surrounded us by soldiers, and then they said, "Now, señora can go with us over the house and help us search for the rebels." They said we had rebels hidden in our house. Capt. Garcia took me at the point of his gun with 10 soldiers, and he says, "Now, you go over the house and we will search for these rebels."

Mr. KEARFUL. Did they find any rebels?

Mrs. STURGIS. No. My husband says, "We are American citizens and you have no right to treat us like this." He says, "You know we have no rebels in our house." He says, "Hush up your mouth, old man." That is what they called him. "Hush up your mouth."

Mr. KEARFUL. What did they say to the warning that you were American citizens?

Mrs. STURGIS. They said, "Shut your mouth." They said, "We don't care about the old America—the old gringos." They called us gringos. They said, "What are gringos to us? We are going to drive you all out, anyway." That is what they said to my husband when he said we were American citizens.

Mr. KEARFUL. What did they then do?

Mrs. STURGIS. They then carried me at the point of the gun all over the house. When they finished searching the house, of course, they found nothing. Now, they said, "You have got to climb on the roof."

Mr. KEARFUL. Did you rebel at that?

Mrs. STURGIS. I said, "I am no roof climber; I am an American citizen. You have no right to treat me like this and I am not going to climb on the roof." And with that he struck me with his gun over the shoulder.

Mr. KEARFUL. Then what occurred?

Mrs. STURGIS. And I said, "You will pay for this to the American Government."

Mr. KEARFUL. Did that cause him any uneasiness?

Mrs. STURGIS. He said to me, "Oh, your old Government is nothing but a bluff. We are not afraid of it. Tell them what you please. We are going to drive all the Americans out of here." That is the way he answered me.

Mr. KEARFUL. And divide up their property?

Mrs. STURGIS. Yes; that is what he said, "Divide up your property. This property belongs to Carranza."

Mr. KEARFUL. What did they do then?

Mrs. STURGIS. Then they came downstairs—I would not climb on the roof and they did not climb on the roof either. We came downstairs then. I was badly hurt. I was so hurt I could hardly hold my shoulder up. They came downstairs and pushed me in the corner again with my husband and my mother and went around the house and helped themselves to some things around the house—not very much; something to eat and some little toilet articles we had around the house, and then went away and said if we did not get out of Mexico they would attend to us.

Mr. KEARFUL. What was the next experience you had?

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Mrs. STURGIS. Then my husband gave an account of this outrage to the consul in Frontera, and also to the consul in San Juan, because at that time we could not get out, the revolution was so bad, and the road was full of rebels and of Carranza troops, and the one is just about as bad as the other in that part of the country. And the consul sent us a telegram and told us it was very dangerous traveling and if we had no more trouble we had better stay at the plantation, because he thought things would get better and then we could get out.

Then we had no more trouble except threatening us. We stayed at the plantation and were very careful and had no more trouble until June, 1918.

Mr. KEARFUL. Was there anyone whom you could leave in charge of the plantation in case you left?

Mrs. STURGIS. We tried to get somebody, but they said, "It would be as much as our life is worth; you can't tell what they would do. We would not dare."

Mr. KEARFUL. That is what they would tell you?

Mrs. STURGIS. That is what they would tell us. "They will burn your house down. If you go away you might just as well give what you have over to the Carranza Government." That is what all the neighbors would say to us. The neighbors felt very kindly toward us; we have a great many friends among them.

Mr. KEARFUL. Did you ever have any trouble at all with any of your neighbors?

Mrs. STURGIS. No.

Mr. KEARFUL. That is, with the Mexicans?

Mrs. STURGIS. No; never had any trouble with them; they were always very nice to us.

Mr. KEARFUL. How were the Mexicans treated—those who owned plantations?

Mrs. STURGIS. Oh, why, they used to tie them up—the Carranza soldiers passed by our plantation with 25 Mexicans tied, with their arms tied behind them and ropes around their necks—rich ranchmen—and they carried them over to the little town 4 leagues from us and told them they were going to kill them; and I went over to the town, and of course the Mexican women in that town knew me, and me being a foreigner they came to me and said, "Can't you do anything with the commander here in the town? They are going to kill them." Of course, their wives had come in to see about it. "They are going to kill them Friday," they said. I said, "I will do what I can for you. I will see the commander of the town," who was Felisando Gonzales. And I went to see him and I said to him, "You should not kill all the innocent men; they have done nothing. If you want money, ask them for money and they will give it to you. Don't kill them. It is a shame. They are some of the best men of Chiapas."

Mr. KEARFUL. Had they rebelled against Carranza?

Mrs. STURGIS. No; they were just neutral. They stayed at the plantations. They were not Carrancistas; they were neutral.

Mr. KEARFUL. Just attending to their own business?

Mrs. STURGIS. Yes; just attending to their own business and working their farms. I knew every one of them—my husband, too—they were good men, good citizens, and wealthy men.

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And so he told me that he was not going to kill them. He says, "I am just bluffing." So he got a fine out of each of them and turned them loose, and then they all became rebels after that. That is why you have the revolutions down there. The best people are with the revolutionaries because Carranza has made them rebels.

Mr. KEARFUL. Where were you in the point of your story?

Mrs. STURGIS. I was telling you about the attack, when we were carried away prisoners in 1918, in June.

Mr. KEARFUL. What had become of your father?

Mrs. STURGIS. My father died; that was the year before. Then my mother stayed on there because we could not get out. My father died of dropsy. He was quite an old man. And we put him there in a vault, provisionally, until we can take him out of Mexico.

Mr. KEARFUL. You stayed on the place until——

Mrs. STURGIS. We stayed on the plantation until June 26, 1918, when we were surrounded by these rebels commanded by Cal y Mayor.

Mr. KEARFUL. Just describe that incident.

Mrs. STURGIS. Well, they came about 10 o'clock in the morning to our house, surrounded the house, and they had with them 30 Federal soldiers known by us.

Mr. KEARFUL. Federal soldiers?

Mrs. STURGIS. Thirty Federal soldiers known by us. Of course there were Federal troops all around over the country when these rebels came out—Carranza troops.

Mr. KEARFUL. To what party did the rebels claim to belong?

Mrs. STURGIS. They were Zapatistas.

Mr. KEARFUL. They claimed to be Zapatistas?

Mrs. STURGIS. Yes; Cal y Mayor is commander in chief of all the Zapatistas in that section of Mexico.

Mr. KEARFUL. And he had with him 30 Federal soldiers whom you knew?

Mrs. STURGIS. Yes; some of our servants, some of our workers. They had been made Federal soldiers and they were with him.

Mr. KEARFUL. What happened at that time?

Mrs. STURGIS. They carried away all our horses and all the household utensils they could carry; robbed the house completely and carried off all of our clothes.

Mr. KEARFUL. How much money did you have in the house at that time?

Mrs. STURGIS. Twenty thousand of my husband's and $3,000 American money of my mother's; and they looted all of the provisions out of the house—salt, sugar, and medicines, and everything we had in the house. We had our plantation well stocked at that time; and they made us get ready to go to the camp. They said, "We are going to take you to the camp." And, my husband being a dentist, they said, "You must take your instruments with you, your dental outfit, to the camp." Of course he did do dental work at the plantation. A good many Mexicans came to the plantation to have dental work done.

I begged them to leave my mother at the plantation, not to take her. I said, "Mother is old and can't stand this trip. Leave her here if you take us." And they were about to put a rope around my

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neck for asking them. They had a rope and were to put it around my neck when I told them that. "Get ready," they said; "we don't care anything about your old mother." That is the way they answered me.

Mr. KEARFUL. What sort of conveyance did they provide for you?

Mrs. STURGIS. They made my husband and myself walk.

Mr. KEARFUL. How far was it?

Mrs. STURGIS. Forty miles to the camp. And my mother, they let ride on one of our horses.

Mr. KEARFUL. One of your own horses?

Mrs. STURGIS. Yes; one of our own horses—her horse and her saddle. They let her ride her horse. She couldn't walk, but they made me walk, and without a bonnet. I had nothing on my head. My clothes and bonnets and everything were taken away from me, and I had to walk 40 miles without a bonnet.

Mr. KEARFUL. Were there any women with this party—and soldaderas?

Mrs. STURGIS. No, no; no women with them.

Mr. KEARFUL. How long did it take you to reach the camp?

Mrs. STURGIS. We were three days going to the camp. The first day we marched 3 leagues to Texpatan—a little town named Texpatan—and, then, next morning early we heard the Carranza soldiers were already at our plantation weeding it of what was left. The Carranza troops came over from Copainala, the county seat.

They carried us to their camp. We were three days getting to the camp at Pozo Colorado. That means Red Hole in English. That was the name of the camp of this chief.

My husband said to Cal y Mayor, "Why is it you do not take these Carranza soldiers prisoners?" He says, "I was told by the Federal authorities to take you from the plantation. We work together when convenient."

Mr. KEARFUL. When convenient?

Mrs. STURGIS. In this case "We work together when convenient." He was told by the Federal authorities to take us away from our plantation. "We work together when convenient." That is what he told us.

Mr. KEARFUL. What did you do or what did they do with you at the camp?

Mrs. STURGIS. They took us in the camp and they made me go to the hospital and wait on their dirty, low-down sick soldiers, amid jeers, and they would tell me, "Now we have got the gringo well done up," and they would insult me in every way and make me do all sorts of work in that hospital. And I was insulted, and I was worked up one day and I said, "You will pay for this, and pay well, too." And it was told to the general, what I had said, and he was going to hang me up. I said, "Well, hang me, then." I was provoked and thought I would just tell him.

Mr. KEARFUL. What kind of a place did they provide for you to live in?

Mrs. STURGIS. A little shack, and at night they put sentinels around our house, and they made my husband fix the teeth of the bandits and grind corn and clean camp, and made my mother sew.

Mr. KEARFUL. Did you have a sewing machine?

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Mrs. STURGIS. They carried my sewing machine away from the plantation.

Mr. KEARFUL. What sort of food did they provide you?

Mrs. STURGIS. We were starved to death most all the time. I begged for food and they only gave me tortillas without salt, and we were so weak we could hardly keep up.

I used to steal food when I was in the hospital, and that is why we did not die. I used to steal beans they gave me to give to the sick and carry them out to my mother, and cooked them secretly, and that is why we did not starve.

Mr. KEARFUL. Did the bandits themselves have plenty to eat?

Mrs. STURGIS. They had plenty to eat, but they would not let anybody give us anything. There was no way we could get it. I begged on my knees for them to give us something more to eat for my mother. I said "She is old and she will die." They said "No; you lived like kings and now you can starve to death. You will never get out of here alive." That is what they said.

Mr. KEARFUL. How long did you remain there in camp?

Mrs. STURGIS. I was there, and my husband, eight months.

Mr. KEARFUL. What time was this?

Mrs. STURGIS. We were there from June to January this last year—January 18.

Mr. KEARFUL. You were there from June, 1918?

Mrs. STURGIS. To February 18, 1919, last year.

Mr. KEARFUL. Under what circumstances did you leave the camp?

Mrs. STURGIS. Well; on the 15th of September Cal y Mayor called me to his cuartel, and he says to me, "Mrs. Sturgis, I am going to send you to the camp of Gen. Zapata with letters to him."

Mr. KEARFUL. That was in the State of Morelos, just south of Mexico City?

Mrs. STURGIS. Yes; and I said, "I am too weak to go and I have no clothes." My clothes were almost in rags. He said, "I will get you some of your clothes from the Indian women who have them around here." I said, "I can't go and leave my husband and mother; my mother is sick and I am afraid will die." I said, "Let me take my mother with me." He said, "No; you will leave your mother and your husband here, and if you don't come back, I will kill them. I will give you two months to go and come back."

Of course I had to go; there was nothing else to do.

Mr. KEARFUL. Who went with you?

Mrs. STURGIS. An old woman and six bandits went with me and carried me as far as Minatitlan, in the State of Vera Cruz, where the English have those big oil works.

Mr. KEARFUL. You said an old woman went with you?

Mrs. STURGIS. An old woman they sent with me, an Indian squaw, the wife of a captain, to watch me.

Mr. KEARFUL. How did you carry the papers?

Mrs. STURGIS. I carried them in the soles of a pair of shoes. They nailed them in the soles of the pair of shoes and I had to put the shoes on, because I had nothing else to wear. They made the shoes right there in the camp. They had a little shoe shop there. They had everything there in the camp; it was like a little town. They had been there three or four years.

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Mr. KEARFUL. How far was that camp from the Carrancista headquarters?

Mrs. STURGIS. Just about 40 miles in; a little town; there are little towns all around there. The Carranza soldiers would run away; they wouldn't think of trying to fight, because after the rebels would go out and make a raid the Carrancistas would go in after them and get what was left; what they wasted. They kind of worked together. That is a way they have. "We work together, when convenient." That is what they say down there among themselves.

Mr. KEARFUL. Did you finally arrive at Mexico City?

Mrs. STURGIS. Yes; I went to the City of Mexico and put myself in the hands of the American Embassy, Mr. Summerlin—I saw the chargé d'affaires, Mr. George Summerlin, and told him everything and asked him what I should do.

Mr. KEARFUL. What did he advise you to do?

Mrs. STURGIS. He told me to come back the next day, and I went back the next day to the embassy and showed him the shoes I had with the letters in the soles, and they examined them. They said, "Mrs. Sturgis, would you be afraid to go into Zapata's camp?" I said, "Well, if you can't get the release of my husband and mother I am willing to do anything. If you can't get them released, and if by my going into Zapata's camp I can get them released, I am willing to do it."

Mr. KEARFUL. How far was Zapata's camp from Mexico City?

Mrs. STURGIS. They told me two days by train and three days by horseback. I had to go to Puebla and from Puebla to Clisco, and there had to take horses five days into the mountains to Morelos, and I will tell you how it was. Then they put me in communication with two Zapatista rebels, one colonel and one lieutenant.

Mr. KEARFUL. In Mexico City?

Mrs. STURGIS. Yes; they were in Mexico City. They have their agents there, you know. Zapata has his agents there, a number of them.

Mr. KEARFUL. Well, at that time Carranza was in Mexico City with his government, was he not?

Mrs. STURGIS. Yes; but that don't make any difference; they have them there. I don't know how they work together.

But it was Col. Pena and Lieut. Santiago Rodriguez. They were the two men I was introduced to by a secret-service man, Mr. Jones.

Mr. KEARFUL. Mr. Jones?

Mrs. STURGIS. Yes.

Mr. KEARFUL. An American?

Mrs. STURGIS. Yes; he was a secret-service man at the embassy. That is what he told me, and they told me, too. "One of our men will be with these Zapatistas. They will come to your hotel and you tell them everything." And I did.

Mr. KEARFUL. You delivered the papers to them?

Mrs. STURGIS. Yes; I showed them my shoes; they were nailed in the soles of the shoes, and I showed them the shoes. They said, "Mrs. Sturgis"—in this hotel where I was there were a great many Zapata officers, and they said to me, "To-morrow you meet me and bring Mr. Jones. I will be with you," he said. "And we will arrange for you going out to Zapata's camp."

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I said to Mr. Jones, "Is that all right?" He said, "Oh, yes; don't you be afraid. Mr. Gates is a great friend of Mr. Zapata, and one of these men, Santiago Rodriguez, was the man who took Mr. Gates out to see Mr. Zapata. He is a great friend of Mr. Gates," he said. That is what Mr. Jones said, "Don't be afraid."

Of course I felt afraid, because I was pretty badly off then from the exposure I had had.

Mr. KEARFUL. Did you go out to Zapata's camp?

Mrs. STURGIS. No; I went down to this place and they told me, "You can't go, Mrs. Sturgis, the bridge has been blown up to Puebla and Clisco."

That was about the 24th or 26th of September, along there. They said, "You can't go. We will have to send these letters out to Zapata by messenger." And I turned those shoes over to these people and they sent them out to his camp.

Mr. KEARFUL. Were those shoes examined by them?

Mrs. STURGIS. They were examined, but they did not take the soles off them. These letters were nailed in between the soles. I delivered the shoes to them.

Mr. KEARFUL. Did you see the papers yourself?

Mrs. STURGIS. No; I never did. I don't know what was in the papers, either.

Mr. KEARFUL. Did Mr. Summerlin give you any assurance of getting your mother and husband released?

Mrs. STURGIS. Well, I didn't go out to the camp and I fell sick with influenza and nearly died. I was 12 days in bed. And as soon as I got up I went down to the embassy and I told them, I said, "Time is drawing to a close; two months is nearly up, and if I do not get back to the camp I am afraid they will kill my mother and my husband." And Maj. Campbell told me, "Mrs. Sturgis, Zapata is not in his camp; he is in Guerrero, and I don't know when you can get an answer back to your letter." That is what Maj. Campbell, the military attaché at the embassy, told me. "But I will give you a man to go back with you to see if you can get the release of your husband and mother."

Mr. KEARFUL. And did he do that?

Mrs. STURGIS. He did; he sent back this Zapatista lieutenant, Santiago Rodriguez, with me, and paid his way; gave him money and gave me money to buy medicine and something to eat for my husband and mother, and sent Santiago Rodriguez back with me and paid his way, too.

Mr. KEARFUL. And you went back?

Mrs. STURGIS. We went back and got back the 16th of November to the camp.

Mr. KEARFUL. 1918?

Mrs. STURGIS. Yes; and I found my mother had died of starvation just three days before I reached the camp, and my husband was in a dying condition; he could not walk.

Mr. KEARFUL. What became of the money and supplies that you took back with you?

Mrs. STURGIS. The money and supplies I took back with me they took away from me. I only got to give my husband just a little something that I took back, some of the medicine, and they took it

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all away from me, and this Santiago Rodriguez, who they sent back with me, knew that my mother had died of starvation; the people there told him that my mother had died of starvation. My husband was in an awful condition; he was all swollen up; he could not walk, he had given up to die. He said, "Well, if my wife don't get back I won't last long; just a few more days." They just gave him tortillas to eat—tortillas without salt—little cakes, you know.

Mr. KEARFUL. What did this representative of the embassy do?

Mrs. STURGIS. This representative went to see Cal y Mayor. He was a great friend of Cal y Mayor, but Cal y Mayor would not let us out, and he went back to the city of Mexico.

I said, "Why is it that you don't take us out? What will our Government say?" He says, "I can't take you; I can't take you out. I will be back here again."

I was so discouraged and I begged him and I begged him on my knees. I said, "You see my husband is dying, and I will die, too. You see this man is a bandit, an awful bandit; he won't let us out. Why can't you take us out of here?" He says, "I can't take you, Mrs. Sturgis. I will have to go back and report to the American embassy."

And then they treated us worse than before. They put me in the woods to cut the wood until my hands were all blistered and sore, and my husband couldn't get off his pallet. And they made me grind corn and go to the woods and cut wood with an ax until the middle of January, until I was reduced to a skeleton. They took the clothes away from me when I went back to camp, and I was almost naked; had no shoes and very little clothes; and they gave me very little to eat, just tortillas and a few beans, and I was almost reduced to a skeleton, and you can imagine how my husband looked.

Mr. KEARFUL. While you were there at the camp did there come to your knowledge any German activities?

Mrs. STURGIS. Yes; I forgot to tell you about that.

In July while we were in there—the year before—we went in June, and then in July—Antonio Naylor—I knew him—who worked for Henry Gueral, the German vice consul in Chiapas—I knew him—Antonio Naylor told Cal y Mayor that he was sent in there by the Germans and Carranza; that they were forming an army of 3,000,000 soldiers; Germany and the Japanese and Carranza forces were going into the United States from Mexico to fight the Americans, and that the Germans had arms hidden in their hardware stores; they had plenty of arms and ammunition. That is what he told. My husband heard him and so did I; heard them talking about it. And he was to come back again, but he never came back.

Mr. KEARFUL. What, if any, representations were made to the native workmen in regard to looting in the United States?

Mrs. STURGIS. Oh, yes. Now the propaganda down there is that President Wilson is crazy, and they are recruiting people now, and they are telling them, "We will go to the United States and get lots of rich loot in the gringo country; there is lots of rich loot," and lots of the ignorant people believe it, that they can come here and get lots of rich loot in the gringo land. That is the propaganda down there now.

Mr. KEARFUL. Under what circumstances did you leave the camp finally?

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Mrs. STURGIS. Well, just a few days before the—on the 14th of February last year I was grinding corn and the general came and said, "How are you, Mrs. Sturgis?" I said, "I am about dead." I said, "Why is it that you keep us in here?" I said, "What have we done? My mother has died and my husband is dying, and I can't stand this work much longer." I said, "Your father lives in the City of Mexico and he is a Zapata agent, and the American Government knows of him, and if we die you will be made to suffer for it." And that seemed to affect him a great deal, and he said they would let us out in a few days. You can imagine how glad I felt. I said, "If we die in here you will suffer for it," because his mother and father and his sisters lived in the City of Mexico and were Zapata agents.

A few days after that he came to our shack and told us he was going to let us out on the 18th, and he let us out more dead than alive. He gave me a piece of machete and gave my husband one of our horses, because he couldn't walk, and put us outside his camp on the 18th day of February, 1919.

Mr. KEARFUL. Did you have a horse to ride?

Mrs. STURGIS. No, indeed; I had to foot it and clean the road with the machete.

Mr. KEARFUL. How far did you go?

Mrs. STURGIS. Forty miles. We had to go to the plantation, and we only had six tortillas to eat on the way.

Mr. KEARFUL. You had to go to your own place?

Mrs. STURGIS. Yes; we had to go there; there was no other way.

Mr. KEARFUL. In what condition did you find the plantation?

Mrs. STURGIS. Perfectly bare of everything; even the wire fencing had been taken away. We found 30 Indians living there, some of them planting corn.

We said to them, "How is this?" They said, "The Carranza officials have given your land over to us. They said you would never come back again."

Mr. KEARFUL. Were those some of the Indians who had worked for you?

Mrs. STURGIS. Yes; and some of the soldiers. They have soldiers that served for 15 days and then they let them off 15 days and another lot will go in. They were soldiers and natives, some of them living on our lands. They are living there to-day.

At our plantation house we found it was in ruins, the windows all broken out, doors broken down, no cattle, no hogs, or anything. They sold our cattle. Our cattle were quite well-known cattle and well thought of around through the country, and they sold them, and our coffee was carried to the State capital. We had some 300 sacks of coffee stored and they carried it to the State capital and sold it; and sold our cattle everywhere around there, and then killed some of them. We only had 300 head at that time.

Mr. KEARFUL. Was any pretense made of compensating you for the land that was divided up among these Indians?

Mrs. STURGIS. We went to the State capital and the doctor went to see the governor, because we had no money.

Mr. KEARFUL. Who was the governor?

Mrs. STURGIS. Villanueva—we knew him—and Gen. Esparza—we knew him too; he was the commander in the military zone.

Mr. KEARFUL. And what did they tell you?

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Mrs. STURGIS. We told them we were there without any money, and we thought as they had confiscated our cattle and our money we ought to get some little money to take us to the American consul at Salina Cruz or Vera Cruz, and we said to them "As you have confiscated most of our property, can't you give us a little money." And he said, "We haven't money enough to pay our own officials and we are not responsible for Americans in Mexico." And my husband said, "Then why is it your government is recognized by the American Government if you are not responsible for Americans here?"

So we got in communication then with Mr. Baker, the American consul at Salina Cruz, and Mr. Lansing here of the State Department gave him orders to give us money to come to the United States, and that is how we got back to the United States. The Government furnished us the money.

We got back to the United States in July. We got out of prison in February and got back to the United States in July.

Mr. KEARFUL. When your land was taken and divided up amongst these Carrancista soldiers was there any pretense made that you would be compensated for it in any way?

Mrs. STURGIS. I don't know; they did not tell us. Why sure not; they don't expect to pay us for that land. They gave it over to the Indians. That is what they told us. We don't know when they divided it up, but Indians are there. And we said, "Why is it?" And they said, "The Carranza officials told us you would never come back any more; the American foreigners were to be driven out of Mexico and the land to be divided up among us."

You hear that everywhere; they have done it, too. All these plantations are full of Indians working the land, and they insult the American Government down there and call it all sorts of names, and it is no good, it is nothing but a bluff. And you have to take insults on all sides.

Mr. KEARFUL. Have you paid a visit to the State Department in reference to the injuries that were done to you?

Mrs. STURGIS. My husband wrote to Mr. Lansing when he got to the United States, and told him that we were here, and he sent him papers to make up his claims against the Mexican Government; that is all.

Mr. KEARFUL. In those papers, is there anything to the effect that you must first present your claim to the Mexican courts?

Mrs. STURGIS. No; it does not say anything about it. No; they give you papers here at the State Department to make your claims against the Mexican Government. It does not say anything about the Mexican court.

Mr. KEARFUL. Do you not have to state in those papers that you have presented your claim to the Mexican Government and it has been rejected?

Mrs. STURGIS. No; but when we saw the judge in Tuxtla Gutierrez, the State capital, and tried to have some papers made out and signed by witnesses, so we could present them to the American Government, showing how we were treated there, the judge told us he had been advised by the Carranza officials that if he made out any papers for us he would be shot immediately, because, you see, that would be against the Carranza government. Of course, it is a well-known fact all over the country how we were treated.

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Mr. KEARFUL. That was an attempt by you to proceed in the Mexican way to make a record of it?

Mrs. STURGIS. Yes; to get witnesses that our place was raided and we had been carried off prisoners and that the Carranza soldiers had gotten most of the loot. And we could have gotten plenty of witnesses.

Mr. KEARFUL. At the time you were in Mexico City at the American Embassy, did they consider at all taking any steps to release your husband and mother and protect you?

Mrs. STURGIS. Who?

Mr. KEARFUL. The American officials.

Mrs. STURGIS. Well, just as I told you; they only sent that man back with me; that is all.

Mr. KEARFUL. They did not consider sending any expedition for the purpose of relieving you?

Mrs. STURGIS. I do not know; if they did, they did not tell me.

Mr. KEARFUL. They permitted you to go back?

Mrs. STURGIS. Yes; told me to go back.

Mr. KEARFUL. And thought it was the best thing for you to go back?

Mrs. STURGIS. Yes; thought it was the best thing to do, because Cal y Mayor told me, "If you bring back soldiers here, or if I see a flying machine over my camp," he said, "I am going to kill your husband and mother the first thing, if you cause my camp to be attacked." And I told the American ambassador that.

There are so many things, it is such a long story that I leave out some of them. That is what he told me, if I brought soldiers back or he saw a flying machine over his camp—that is what he called it—"I will kill your husband and mother right away."

Mr. KEARFUL. The American officials thought it was the best thing for you to make a trip back to save your husband and mother?

Mrs. STURGIS. Yes; that is what they thought. I think perhaps they did the best they could for me under the circumstances. But when I got back to the camp Cal y Mayor told me Santiago Rodriguez told him Carranza had given the American Government $1,000,000 to fool the people that the Mexican Government was all right.

Mr. KEARFUL. Who told you that?

Mrs. STURGIS. Cal y Mayor told me that himself; told my husband and myself that, and he said that is the reason I kept you here for three months longer, to punish your Government, because it is upholding Carranza, and they have received $1,000,000.

Mr. KEARFUL. Who had received $1,000,000?

Mrs. STURGIS. Fletcher, he said. That is what Cal y Mayor told me that Santiago Rodriguez had told him, that Fletcher had received $1,000,000 to uphold the Carranza Government. And I said it is not true. I didn't believe it. I said "I don't believe the American Government is so dishonest and they don't need Carranza's money. It is a lie." I said, and he was about to strike me with a stick when I upheld my Government. He had a cane in his hand and he said "Don't you say that, because it is the truth, because Santiago Rodriguez told me."

Mr. KEARFUL. Santiago Rodriguez appeared to be a confidential agent of the American Embassy down there?

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Mrs. STURGIS. I don't know what he was. They sent him back with me, and I don't know. I told Mr. Campbell "I haven't much faith in this man because he is a friend of Cal y Mayor," is what I told Maj. Campbell at the American Embassy. "Oh, he is all right," they said. "I don't think so. I know the Mexicans pretty well," I said.

Mr. KEARFUL. What was supposed to be the use to which this $1,000,000 was to be put?

Mrs. STURGIS. Why, they told me—this Santiago Rodriguez told Cal y Mayor, the rebel chief, that Carranza has paid the American Government through Mr. Fletcher $1,000,000. That is the way he expressed it. "Mr. Fletcher has received $1,000,000 from the Carranza Government to tell them that Carranza is getting things under his hands, that things are going on nice in Mexico, to fool the public."

Mr. KEARFUL. You are aware, I suppose, that Mr. Fletcher appeared before the Rules Committee of the House and testified to that effect, are you? You know about that?

Mrs. STURGIS. No; I did not know that. I have been very sick here; I have not kept up with what has been going on. But that is what Santiago Rodriguez told me.

Mr. KEARFUL. If he did appear before the Rules Committee and testify to that effect it was not true, was it—the testimony that Carranza was progressing very well?

Mrs. STURGIS. Did he say that?

Mr. KEARFUL. He did.

Mrs. STURGIS. Well.

Mr. KEARFUL. What do you say about it?

Mrs. STURGIS. Why, things are awful in Mexico. Why, when I went up to the City of Mexico at that time they blew a train up behind me and in front of me, and when I crossed the Isthmus—why, things are in awful condition down there.

Mr. KEARFUL. You think Mr. Fletcher's testimony to that effect was not the truth, then?

Mrs. STURGIS. Maybe he saw the other way. He did not see it the way I did. Of course, you can't tell. Mr. Fletcher is in the City of Mexico, and maybe he hasn't been out around like I have. That is what they told me, but I certainly don't believe Mr. Fletcher would do such a thing as that, perhaps—receive money. I don't think he would. I think he must be a very honorable man or he would not represent our country in Mexico.

Mr. KEARFUL. You are aware that Mr. Fletcher has not been in Mexico for some time?

Mrs. STURGIS. Gen. Cal y Mayor, the rebel chief, told me Mr. Fletcher never would come to Mexico again. I didn't know it at the time; I thought he had gone home on a visit, but Cal y Mayor knew he would never come back again. That is what he told me. He told me that with a great sneer on his face.

Mr. KEARFUL. Did you personally visit the State Department here in Washington?

Mrs. STURGIS. Yes; I did.

Mr. KEARFUL. With whom did you talk?

Mrs. STURGIS. With Mr. Johnson.

Mr. KEARFUL. What position does he hold?

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Mrs. STURGIS. I don't know what he is. I went there to ask some questions.

Mr. KEARFUL. He appeared to be in charge of Mexican affairs?

Mrs. STURGIS. I went to ask some questions about my claims. Yes; I wanted to see Mr. Fletcher, but he was at Palm Beach; then I asked for Mr. Lansing. I didn't see Mr. Lansing, though; they sent me down to Mr. Johnson.

Mr. KEARFUL. What was Mr. Johnson doing at that time?

Mrs. STURGIS. I don't know what he was doing. He was there all right.

Mr. KEARFUL. He was in the department?

Mrs. STURGIS. Yes; because the newspaper men were there to see him; I believe about 15 newspaper men were there to see him, but he didn't see me.

Mr. KEARFUL. What did Mr. Johnson tell you about the redress that you would get?

Mrs. STURGIS. Well, he said he did not know, and I told him that I had been called before the committee, and he said, "You tell them everything; tell them the truth, just what happened to you." That is what he told me, and he asked me questions about down there, what happened to us, and when I came back, and like that, you know; and I told him.

Mr. KEARFUL. Did you tell him about the report that Mr. Fletcher had received $1,000,000?

Mrs. STURGIS. Yes.

Mr. KEARFUL. He told you tell the truth about that as well as about the rest?

Mrs. STURGIS. Yes; that is what he said. I told him I didn't believe it, but Caly Mayor said, "I am punishing you three months longer because your Government is upholding the Carranza Government. Mr. Fletcher has received $1,000,000 out of the Government," he said, "to make fools out of the people, to make the Americans think things are going on all right in this country." Of course, I don't think Mr. Fletcher would receive any $1,000,000. I think perhaps Mr. Fletcher was fooled, you know. He didn't know things were in such a bad state, you know, but he would only have to ask out around and he could have found out. Of course, I understand the Indian language and the Spanish language and I heard all their conversations. When I was in hotels in Mexico I heard them talking.

Mr. KEARFUL. Where is your husband now?

Mrs. STURGIS. Why, he is in New Orleans. He is very sick. He would come to Washington, but you know we haven't anything; we are perfectly penniless and he had to go down there and my sister has been helping us out since I have been here—my sister who lives in North Dakota—because we haven't a cent of money. They got everything away from us, even our clothes. When I came to the United States I was almost without clothes, because they only gave us enough money to get home to the American Government, and since we have been here my sister has been helping us. I don't know what we are going to do. My husband is very sick. He is not able to work.

Mr. KEARFUL. You have heard expressed perhaps the policy of this Government to the effect that Americans in Mexico are not entitled

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to any consideration for mistreatment because they were exploiting the peons?

Mrs. STURGIS. Oh my, no.

Mr. KEARFUL. You have heard that?

Mrs. STURGIS. Yes; I have heard that, but it is not true. The Americans down there had certainly done well; they have tried their best to keep peace and tried to stay by their property, and always paid the Mexican peons better than the Mexicans, and treated them like white people down there and the peons all liked to work for the Americans; have great consideration for them.

Mr. KEARFUL. On this trip you made to Mexico City and back again to the camp did you pass through any parts of the country that had been inhabited by Americans?

Mrs. STURGIS. Oh, yes. Oh, I didn't tell you about the fact I was attacked the second time by Gen. Felix Diaz people. I was stopped by his people down the river in the State of Vera Cruz, and my husband is a Mason, and because I wore his Masonic emblem I was saved being carried a prisoner into the camp of Felix Diaz. Felix Diaz is a high Mason, you know, and when I went to the City of Mexico my husband said "Take this emblem. If you fall into the hands of any bandit you may come across a masonic friend," and he told me what to say and to present the emblem to them.

When they stopped me on the river and the guard was going to take me to the camp of Felix Diaz at San Cristobal, a camp of 800 men, and I told him I was going to the City of Mexico to try to get money to release my mother and husband. I didn't tell them I was carrying letters. I was afraid to tell them—going to get money to release my husband and mother, and I said, "My husband is a friend of Felix Diaz and this proves to you he is a friend," and the captain took the masonic emblem and consulted it and looked at me and said, "This woman passes and we will be here when you come back," and that masonic emblem saved me being captured again and taken into the Felix Diaz camp.

There are so many little things that one forgets to tell.

Mr. KEARFUL. You say that you observed some other plantations that had been inhabited by Americans?

Mrs. STURGIS. Yes; Esperanza and a big banana plantation down the Nauchantal in the State of Vera Cruz, as I went down the river with the bandits.

Mr. KEARFUL. In what condition did you find those plantations?

Mrs. STURGIS. There is not anything; they are all in ruins; their houses had been burned up, and by the Carranza people, too; everything is destroyed.

I saw the big orange plantations; they have about two leagues of orange trees planted out. That is called Esperanza. It is ruins; there is not anything there; the buildings burned up. They made fire water—whisky—out of the orange juice. That is all in ruins. I saw four plantations along the river all in ruins. San Cristobal is another one owned by Americans, where they made castor oil.

Mr. KEARFUL. What faction was in control of that part of the territory?

Mrs. STURGIS. That was in the control of the followers of Felix Diaz under Gen. Castor Loparez. He was one of Felix Diaz's generals.

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Mr. KEARFUL. What forces wrought the destruction that you saw?

Mrs. STURGIS. Why, the Carrancistas. That is what they told me—the Government troops.

Mr. KEARFUL. Did you see any followers of Villa at any time down there?

Mrs. STURGIS. Well, the followers of Villa are right over toward the Tuxtla country in Chiapas. I know the two men—have known the two men who are the—Gens. Pena and Fernandez are followers of Villa, and Fernandez is another general, and Castellano is another, and they come right into Tuxtla and rob what they want and chase the federals out, and come backward and forward past our place.

Mr. KEARFUL. You say they passed by your place?

Mrs. STURGIS. They passed by our place, yes; a number of these Villistas; but they never did us any harm; just the Carrancistas and Zapatistas have ruined us together, because they are the same kind of people. It looks like Zapata has the same kind of a low-down, ignorant, vicious people, and so has Carranza.

Mr. KEARFUL. And they work together when convenient?

Mrs. STURGIS. Yes; they work together when convenient, and a great many of the Carranza generals don't even speak the Spanish language; they speak the Indian language. They are very ignorant. Some of them can neither read nor write. I know them; I have seen them and talked with them. My husband has, too.

When Carranza sent Gen. Alvarado down to the State of Chiapas to pacify the State, instead of going about it in a patient way he began to rob the people; accused the people of being rebels. He made a regular business trip out of robbing them.

Mr. KEARFUL. He made rebels out of them?

Mrs. STURGIS. Yes; that is what Carranza is doing all over.

Mr. KEARFUL. Alvarado is the one who went to Yucatan and made himself governor?

Mrs. STURGIS. He is. I think he is one of the biggest cattle thieves in Mexico. He drove out 18,000 head of cattle in one drive.

Mr. KEARFUL. What did he do with them?

Mrs. STURGIS. Sent them to the United States and sold them. And he is an ignorant fellow. Then Gen. Mandajano is the bloodthirsty one. He is the one who killed so many people years before. However, that is what the Mexicans call him—the bloodthirsty Gen. Mandajano.

Mr. KEARFUL. Did he hang them up to the trees?

Mrs. STURGIS. That is what he would do; he would hang some to the trees and some of them he would put a rope around their neck and tie them to the saddle and drag them to death, and other people he would cut the flesh off the cheekbones and off the calves of the legs and then take knives and cut their feet and then make the poor victims walk for miles, and some of them they would catch and tie up to a tree and shoot them to death little by little. That is the way the bandits did over in the camp we were at. Oh, they do awful things down there.

Mr. KEARFUL. Did you know of any assaults upon women?

Mrs. STURGIS. Among their own women; yes, indeed; but they never touched us. That is one thing. While we were in the camp

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they said they were going to feed us to the alligators and going to bury us alive and going to hang us. That is what they would say, you know, but they never touched us; only nearly starved us to death.

Mr. KEARFUL. Is there anything further which you think might be of interest that you have not already told the committee.

Mrs. STURGIS. It seems to me if they have all that down I think that is about all I can think of right now.

Mr. KEARFUL. Then you will be excused, Mrs. Sturgis, and we are much obliged to you.

(Witness excused.)

(Whereupon, at 12.10 o'clock p. m., the committee adjourned.)

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INVESTIGATION OF MEXICAN AFFAIRS.

FRIDAY, JANUARY 9, 1920.

UNITED STATES SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON FOREIGN RELATIONS,
Washington, D. C.

Testimony taken at Washington, D. C., January 9, 1920, by Francis J. Kearful, Esq., in pursuance of an order of the subcommittee of the Committee on Foreign Relations of the Senate:

TESTIMONY OF MICHAEL A. SPELLACY.

Mr. KEARFUL. What is your full name?
Mr. SPELLACY. Michael A. Spellacy.
Mr. KEARFUL. What is your citizenship?
Mr. SPELLACY. American.
Mr. KEARFUL. Where were you born?
Mr. SPELLACY. Connellsville, Pa.
Mr. KEARFUL. Where do you live now?
Mr. SPELLACY. Los Angeles, Calif.
Mr. KEARFUL. Have you ever lived in Mexico?
Mr. SPELLACY. I was most of the time, or a great deal of the time, for about eight years.
Mr. KEARFUL. When did you first go to Mexico?
Mr. SPELLACY. In 1908 or 1909; I have forgotten which.
Mr. KEARFUL. Did you go there as an American capitalist for the purpose of exploiting the Mexican peons?
Mr. SPELLACY. Not exactly. I went as a driller.
Mr. KEARFUL. What part of the country did you go to?
Mr. SPELLACY. I first went to Mexico City and from there to Tampico.
Mr. KEARFUL. You worked as a driller in the oil fields?
Mr. SPELLACY. Yes, sir.
Mr. KEARFUL. Did you afterwards operate in the oil fields on your own account?
Mr. SPELLACY. That and in connection with my brothers and others.
Mr. KEARFUL. What were the names of your brothers?
Mr. SPELLACY. Timothy Spellacy and Peter Spellacy.
Mr. KEARFUL. What were those operations?
Mr. SPELLACY. Well, I had followed the oil business for a great many years, drilling, contracting, and I went to Alaska in the Klondike rush and came out without making anything in Alaska, and not finding any nuggets there I went into Mexico as a driller, and

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as an oil man. I saw a great many excellent opportunities for securing leases in the way that I had been accustomed to in the United States, and I began taking those leases in the upper fields, and later in the lower field, and began negotiations with my brothers to pay part of the expenses of securing of these leases, they and their associates. I went to Los Angeles and called together some of my friends, Capt. Lucey, Tom Kerrigan, Pop Bowles—I have forgotten his first name—and F. A. Montgomery, and several others of my friends and told them what I considered the opportunities in Mexico and about some of the leases we had secured, and that I thought it would be a good investment to operate in that country. They agreed with me and that was the first organization I had anything to do with.

Mr. KEARFUL. And did you and your associates take leases from the Mexican owners of the property for the purpose of exploring for oil?

Mr. SPELLACY. Yes, sir.

Mr. KEARFUL. This was new and unexplored territory?

Mr. SPELLACY. Yes, sir; altogether. We pursued the same system that we did in the United States, paying them a rental in advance and a rental per annum. Generally, in the southern fields more particularly, they not understanding royalties as we were accustomed to them in the United States, insisted on cash payments if the oil was found, in which they had no belief that we would succeed, and we paid them practically at the same rate for the same kind of territory that we would have paid in the United States for wildcat territory.

Mr. KEARFUL. What truth is there in the statement often heard in this country that Americans, especially American oil men, went to Mexico for the purpose of exploiting the Mexicans and have been engaged in that ever since?

Mr. SPELLACY. When I went to Tampico there were only two companies operating in the field, Mr. Doheny, the Mexican Petroleum Co.; at that time it was Sir Weetman Pierson, now known as the Aguila.

The poverty in Tampico was extreme. The natives, when they worked there, received about 15 cents a day of our money, and out on the haciendas they received much less. The peons would sit around the plazas with simply a small blanket over their shoulders and a few garments, barefooted. That was the usual condition of the peons in Tampico.

The Doheny company, every company, in fact, immediately raised the wages to what were very large wages in that country, and they received much opposition from the landowners and other Mexican capitalists for spoiling their cheap labor.

Mr. KEARFUL. What effect did that have upon the mode of living of the Mexican laborers?

Mr. SPELLACY. Well, it was very much improved. They became clothed, and gradually their wages were increased until they were able to buy clothing that was as good as that worn by the American employees. They are not generally very thrifty in the sense of holding money, and that went largely to jewelry and luxuries of which they had never dreamed before. American makes of high-priced goods of all kinds it seemed to be their desire to purchase for their

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families. They lived much better, the women and children were clothed much better, and generally it was a great improvement in the condition of the Mexican laboring man.

Mr. KEARFUL. Were there any of them educated to perform skilled labor?

Mr. SPELLACY. Gradually they were able to assume positions in offices and to do manual labor of building tanks, etc., in which their salaries were increased to practically the same level as those received by Americans in the same positions.

Mr. KEARFUL. What was the scale of wages that was received before the Americans went into that field by the Mexican peons?

Mr. SPELLACY. Well, I might say from the haciendas the Tampico laborer probably received from 10 to 20 cents, American money.

Mr. KEARFUL. And to what point was that scale raised through the operations of the oil prospectors?

Mr. SPELLACY. It was gradually increased. Computing in American money the first jump was 50 cents, 75 cents, $1, $2, and in a great many instances $3, $4, and $5 per day. In the lower field amongst the Indians—they were the owners generally of their own little patches of ground on which they raised corn and beans, and had chickens and turkeys; their little villages had their churches, they had their fiestas; they had their market days at each one of these towns where they would meet in thousands coming in from the surrounding country, and I never saw a quarrel on one of those market days. They were very contented but very poor. They had no luxuries, did not wish them, and did not know what they were. After they secured the rentals from their leases—and that was a very hard thing to get them to do at first, they had always been exploited by different Mexicans who had authority in those regions and they could not realize how any person would try to do any good without selfish motives, and they were very suspicious at first. When I went into these villages they were very suspicious of me and it took me a long time to overcome that suspicion. When I would come along the little youngsters would run and hide and the old fellows would gaze at me as if I was a horse thief.

But finally it got so the little fellows would begin to poke their heads out of the bushes when I came along, and when I would hold out a centavo toward them one of the older ones would run out and grab it and run back and hide in the bushes again, but, finally, when they saw I did not hurt them they would come out gradually, and I would give them crackers, which were their main luxury, and finally they understood that when I came to town they were going to get crackers, and finally the youngsters would look out and then would say, "Señor Miguelito, give us some crackers." My name was Mike, and Señor Mike was my name through that country, and after I had been there for several months the little fellows would hang around me and act like I was the bishop that had come to town. They were the brightest little fellows you would ever want to see and you could almost tell what they were thinking. They had their little schools, but a number of them went down in their own pockets and paid the school-teacher the munificent sum of $8 a month to instruct those children. He knew a little more than the general run of Indians. In fact, when he went to try to air his knowledge when I first engaged

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him he showed his ignorance in one respect. He heard us speak of San Francisco and he broke in to say he knew where San Francisco was, and the interpreter asked him where San Francisco was, and he said California, Tex.

Mr. KEARFUL. Now, Mr. Spellacy, what can you say about the progress of the country as a result of the oil development?

Mr. SPELLACY. It brought general prosperity to the workingman.

Mr. KEARFUL. What about the building up of towns and schools, etc.?

Mr. SPELLACY. I did not understand—the building up of schools?

Mr. KEARFUL. The building up of towns and schools.

Mr. SPELLACY. Well, the schools—all of the companies, practically, after they got firmly established had schools at the camps for the benefit of the children.

Mr. KEARFUL. With respect to your own operations, what did you and your associates do in reference to providing for these children that you have been speaking about when you were successful in your oil operations?

Mr. SPELLACY. Well, we were what might be called small fishes in that country. Our camps were not extensive enough to introduce schools. We simply drilled one well at first at Puebla, which was successful, and we drilled one well at Panuco, which was successful, but we probably didn't employ over 15 or 20 peons in an operation of that kind, and they had no wish for schools, and we did not introduce schools.

Mr. KEARFUL. What did you do with respect to setting aside a certain amount of royalty for the benefit of those people?

Mr. SPELLACY. That was in my favorite little village of Zacamixtle. In subleasing one of our leases to one of the large companies—it came to be so our properties, the small ones particularly, were bound to be grabbed because we could not afford to fight the case through the Mexican courts, and I pursued the policy on the smaller leases I had of subletting them to the larger companies, and in some cases those leases read that the Indians would get so much if wells of a certain size came in, and we forced that on them, that they should receive more money. I knew the royalty was the real wealth if I could make them see it from my point of view, but I had to give it up and without their knowledge I set aside in the sublease to one of the big companies a royalty equivalent to what I would receive for my portion, which was to be devoted to the maintenance, education, and care of the children in the district. If that territory should turn out to be good, and it looks very much like it will, it will be about the richest school district not only in Mexico but in the United States.

Mr. KEARFUL. Were there any revolutionary troubles in that region at that time you went there?

Mr. SPELLACY. Not any in Tampico. I was there when the Madero revolution broke out, and while those peons were not receiving the rights we thought they should receive we were practically unanimous for Madero for the help and bettering the condition of the peons.

Mr. KEARFUL. Was there any uprising against Huerta?

Mr. SPELLACY. No; no organized uprising of any kind in that lower oil district or in the fields; a very little trouble of any kind at that time.

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Mr. KEARFUL. When was the first trouble that arose?

Mr. SPELLACY. Well, after Madero was killed. I can't remember the exact time, but it gradually increased. Huerta came in power and our sympathies became, you might say, Carrancista, because we were unused to such horrors as Huerta instituted in trying to keep himself in power, butchering, murder, lining up the people and killing them just because they differed in their opinions from him.

Mr. KEARFUL. The people in the country were favorable to Carranza at first?

Mr. SPELLACY. Yes; Americans I am speaking of, particularly in Tampico. But finally when Senator Dominguez made his will and laid it on the table and then exposed Huerta's methods and said he was sacrificing his life, which he was, our sympathies were altogether practically with Carranza. I am talking about the working men and the Americans in Tampico.

Mr. KEARFUL. Now, as to the Mexicans. After Huerta's forces were driven out and Carranza came into power was there any opposition to Carranza among the Mexicans?

Mr. SPELLACY. Immediately after I do not think so. After the first Huertistas were driven out he was very popular.

Mr. KEARFUL. What occurred to start uprisings against Carranza?

Mr. SPELLACY. Well, gradually the issuing of decrees, the autocratic power which he assumed, and the fact that his troops not only attacked American farms and seized all their horses, and their soldiers killed the cattle and sheep and horses and destroyed the crops, but attacked the Mexicans as well—the Mexicans were not immune; their crops were taken from them and their cattle seized. If a man would ask a man if he was a Carrancista, why, he would most certainly say "yes." "Well, then, we want what you have got—a large portion of it."

If a man had the temerity to say "no," which he didn't, he was lined up against the wall and shot.

Mr. KEARFUL. Who is the principal rebel leader in that country now?

Mr. SPELLACY. Manuel Pelaez. I was acquainted with him before the trouble, in securing leases down near where he had a hacienda.

Mr. KEARFUL. How was he treated by the Carrancistas?

Mr. SPELLACY. Well, in a general way all that I know they had no rights that were respected by the Carrancistas. Their property was confiscated and their crops and everything they possessed.

Mr. KEARFUL. Did he rebel against Carranza before he was mistreated?

Mr. SPELLACY. No. All of these people in that country were in favor of peace and quiet and Pelaez was one of that type.

Mr. KEARFUL. I understand there is a band of savage Indians in that region called the Santa Maria Tribe. What faction have they joined?

Mr. SPELLACY. They joined the Carrancistas.

Mr. KEARFUL. Will you describe some of their operations?

Mr. SPELLACY. They are armed by the Carrancistas, and the other Indians unarmed are naturally very peaceful people, but the Santa Maria people began to raid their towns and villages; they attacked Tancoço and all of the population were driven up to the high moun-

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tains, women and children, and existed, or a part of them, I suppose, continued to exist for months; that was the same with a great many other villages in there. They burned Tancoco, and either they or they and the Carrancistas in conjunction burned Ametlan, San Antonio, Chenampa, and several other villages in there, but the Santa Maria Indians outdid anything in that country for savagery. Some of the natives told me when they captured them they would strip the skin off their feet before they killed them and make them stumble around on the ground before finally killing them, and they used other means of torture, but they said that was their favorite method.

They went into Mr.—they did not get a chance there; they have never tortured Americans in that way—they went into Mr. Doheny's camp at Cerro Azul, but they only committed the usual plundering there. The Indians fled and got out of the way.

If you would care for me to describe that more fully I can.

Mr. KEARFUL. Has Manuel Pelaez committed any depredations?

Mr. SPELLACY. I have never heard of but one case in which his men committed depredations. That was on Mr. Doheny's property at Juan Casiana, and when his superintendent went over and protested he found it was a drunken underofficer who had ordered it.

Mr. KEARFUL. And what was done by Pelaez?

Mr. SPELLACY. I don't know. But he has generally been very strict in discipline. I was told of one case when I was down there where an American was held up temporarily by one of his sentries. The sentry was drunk and insulted the American, and even made threatening movements with his rifle. The American proceeded finally on to Pelaez's camp, or that of Col. (now Gen.) Rabine, and stated his case. Rabine immediately got a horse and went back and shot and killed the sentry.

Mr. KEARFUL. Has Pelaez kept order in the regions controlled by him, or not?

Mr. SPELLACY. Very much, sir.

Mr. KEARFUL. Has he protected the property and the rights and lives of the people residing there?

Mr. SPELLACY. To the fullest extent that he has been able; and the native villages also. He does not rob them.

Mr. KEARFUL. Does he exact any tribute from the people?

Mr. SPELLACY. Not from the people; no, sir.

Mr. KEARFUL. How does he support his army?

Mr. SPELLACY. By what he calls contributions from the oil companies largely. He has, from the best information obtained from men who are there constantly, particularly one superintendent of one of the camps—he states that he generally has 3,000 men. If he wishes 6,000 men he can get them, or 25,000 men if he had money and supplies and ammunition, but the 3,000 men he has constantly.

Mr. KEARFUL. You spoke of the villages that were outraged by the Carrancista savages. Were these villagers in revolt against the Carranza government, or were they peaceful?

Mr. SPELLACY. Very peaceful Indians, and wished only to keep out of trouble.

Mr. KEARFUL. What has been the opinion of the oil operators in the region controlled by Pelaez in regard to Pelaez?

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Mr. SPELLACY. I do not know so much about the operators. I know more from my own driller friends and the men whose lives are in danger there that they very much prefer Pelaez to Felix Diax or Carranza.

Mr. KEARFUL. And those are the men who are on the ground?

Mr. SPELLACY. And running the risk of their lives; yes, sir.

Mr. KEARFUL. What were the methods resorted to by the Carrancistas to recruit their forces?

Mr. SPELLACY. Well, very often they seized peons and threw them into the ranks at certain times. These were very often inoffensive, hard-working peons, who did not wish to go into the army, but after they were once in the ranks and found they could rob, steal, and shoot as they pleased they became typical Carrancista soldiers. In recruiting in one of the camps in the lower fields the superintendent of one of the big companies gave me an idea how the army was recruited there.

A Carrancista lieutenant or captain—I have forgotten which—had been in the camp and was trying to gain recruits. His argument was: "Look at me. A few months ago I had nothing. Now I have a thousand pesos and I have assaulted some 12 or 15 or 20 girls." I don't know the exact number. He got four recruits there.

Mr. KEARFUL. It was upon such representations as that that recruits were secured besides those who were compelled to join?

Mr. SPELLACY. Yes; that is the only recruiting information he volunteered to me.

Mr. KEARFUL. Do you remember the incident of the taking Vera Cruz by the American forces?

Mr. SPELLACY. Yes, sir.

Mr. KEARFUL. On April 21, 1914?

Mr. SPELLACY. Yes, sir.

Mr. KEARFUL. Where were you at that time?

Mr. SPELLACY. I was at Tampico.

Mr. KEARFUL. What occurred at Tampico when the news of the taking of Vera Cruz reached that point?

Mr. SPELLACY. Well, will I tell the whole story or as you ask questions, Judge?

Mr. KEARFUL. Well, in reference to the protection of American citizens there and the threatening attitude of the Mexican mob.

Mr. SPELLACY. We learned through Mexican sources—the news was posted at the military stations—that Vera Cruz had been attacked and that American Marines had landed at Vera Cruz. Of course, we were very much alarmed and very much surprised very shortly after to see the American gunboats starting down the river.

Mr. KEARFUL. These were the American boats stationed in there for the protection of the American citizens in Tampico?

Mr. SPELLACY. Yes, sir; American boats.

Mr. KEARFUL. Under whose command?

Mr. SPELLACY. Admiral Mayo. And at that time, while I was not in the American consul's office, I know positively from those who were there by conversation amongst ourselves that Consul Miller insisted very strongly that Admiral Mayo stay and protect the American citizens, and the admiral, of course, was very willing to stay, but he received orders from Washington to go out in the Gulf.

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Mr. KEARFUL. How far was the Gulf from there?

Mr. SPELLACY. The mouth of the river is probably 6 miles from Tampico, and before a boat was in safe water outside the Gulf was probably a couple of miles farther, or probably 8 miles from Tampico.

Mr. KEARFUL. Did Admiral Mayo leave the Americans there unprotected on April 21?

Mr. SPELLACY. Yes, sir; Consul Miller insisted by his consular rights that he remain and protect the American citizens, but he said his orders from Washington must be obeyed, and he went out.

Mr. KEARFUL. Then what happened to the Americans?

Mr. SPELLACY. Mobs began to form, and we asked first for the protection of our women and children, that they be placed on the German boat, the *Dresden*, or the English boat, the *Hermione*. There was a little Dutch boat there; we didn't inquire as to that. The commander of the German boat, the *Dresden*, Capt. Koehler, I think, was his name, said he would permit our women and children to come aboard the *Dresden*, and the commander of the British boat said none but British subjects would be allowed on their boat.

Mr. KEARFUL. Before that, what did the Americans do with reference to their own protection? Did they congregate together?

Mr. SPELLACY. We began to collect what revolvers and ammunition and guns we could. We would take a rifle and take it apart, separate it, and put the barrel down the back of our coat and go somewhere else and get another and gradually accumulate what we could at the Southern Hotel and the Victoria Hotel, where the Texas Co. had their offices, and we realized if there was to be any trouble it would be at those places, particularly the Southern Hotel which was a kind of a rallying point for all Americans.

Mr. KEARFUL. Were those hotels threatened by the mobs?

Mr. SPELLACY. Not until after dark as the women and children were being carried onto the boat. When it became dark the mob became more threatening and insulting to the women and their escorts, and it was reported to me while there was no actual violence they would grab their baggage and throw it in the street and seize it and jump on it, so they discontinued taking the baggage aboard.

We had, I should judge, about 50 women in the Hotel Southern at that time, and the mob began to march around with tin pans and drums. At first we left the door of the hotel open, but afterwards they began to throw rocks through the door, and I saw a man near me hit in the head and crumple down, and we thought he was dead, but he revived later, and then we thought it was time to close the doors and we did. We placed iron bars across the inside of the door. The mob continued to grow larger and more threatening. We had men up on the roof and in the upper windows who could see them collecting and being addressed by their orators, and they were hollering "Death to the gringos," and Huerta had notified them that the American soldiers and marines in Vera Cruz were taking infants by their heels and dashing their brains out against the lamp posts, and all that kind of propaganda, and their orators were hollering for volunteers to attack the Americans, and I know there were three guns passed out to them including three women.

The mob would swarm down the street and try to break in the door of the Southern Hotel. First they were content with beating

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the doors with clubs, and they made two fruitless attacks that way. There was an iron lattice between us and the corner store, and they broke all these windows and smashed them, but had not made a concerted attack through that way yet. In the meantime we had collected the women and children on the second floor, and there is a little patio facing the street in the lobby, and we were standing about 3 feet in the lobby with our rifles prepared for them when they broke the door. We put the shotgun men upon the second floor and the revolver men were they could fire on the lobby to the best advantage if the mob broke in. There were not enough guns to go round. I should judge there were 150 of us in there, and some of the boys, all they had were Mexican machetes, and they were standing at the head of the stairs.

Mr. KEARFUL. In what manner were you rescued?

Mr. SPELLACY. The third attack they got planks, and while they were bumping the doors with the planks there was no impression near where the iron bars were, but near the bottom of it when they would strike the door it would open up 3 or 4 inches, and it seemed imminent they would come in, and about that time the commander of the *Dresden* told the governor to disperse the mob, and that if there was a single American killed he would land the marines and sweep the streets.

Mr. KEARFUL. That was the German captain?

Mr. SPELLACY. Yes. They asked the British commander to join, but he refused. And about that time they came and drove the mob away from the hotel.

A little after that we heard knocks on the door, and we distinguished that they were not Mexican voices and opened the door and three German officers came in and told us what had been done and they assured us if the women and children wished to go aboard the boat that night they could do it, but as they could see our signals from the roof if there was another attack on the building to notify them by signal and they would immediately come to our rescue. So most of the women and children remained until morning. And I wish to say in connection with that as to the bravery of these women. There was not a whimper in that crowd. They were perfectly collected and took their chances with the rest of us without a murmur.

Mr. KEARFUL. What in your opinion was the effect of the withdrawal of the American gunboats from the river?

Mr. SPELLACY. It seemed almost miraculous that every American was not killed.

Mr. KEARFUL. Do you think that had the effect of inciting the mob to violence against the Americans?

Mr. SPELLACY. Yes; not only inciting the mob but giving them practically to understand that we were at their mercy.

Mr. KEARFUL. They understood that as a desertion of the American citizens by the American gunboats?

Mr. SPELLACY. Exactly.

Mr. KEARFUL. I want to call your attention to a statement made by Admiral Mayo which was published in the New York Times on October 9, 1916, about a month before the election in this country. It was quoted in the testimony of Mr. W. F. Buckley, on page 784. In that interview Admiral Mayo stated:

It is misrepresentation to say that American citizens in Tampico were deserted in an hour of imminent danger. It is distorting facts to say that

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Americans, robbed of the protection of their own flag, were forced to seek refuge under the colors of a foreign power. It is not true that the Tampico affair was marked by gross bungling. The fact that close to 3,000 Americans were taken out of the city, without loss of life or destruction of property, is a result that ought to speak for itself.

Mr. Buckley controverted that statement and said that the American citizens in Tampico were deserted in an hour of imminent danger by the admiral; that they were robbed of the protection of their own flag and were forced to seek refuge under the German colors; that the Tampico affair was marked by the grossest sort of bungling, and that the 3,000 Americans spoken of by Admiral Mayo as having been taken out of the city without loss of life or destruction of property was not due to any effort by Admiral Mayo, but was due to the Germans and afterwards the British.

Which of those two statements is correct, that of Admiral Mayo or that of Mr. Buckley?

Mr. SPELLACY. Mr. Buckley.

Mr. KEARFUL. That is from your personal knowledge, as being present at that time?

Mr. SPELLACY. Yes, sir; I was there. And I wish to say, too, that the unaccountable actions of the English on the day before were not caused by the superintendents or the English commander in the field. The control of all those affairs was taken over by the British Admiralty at that time. I am confident Herbert Hallett and others of our friends would have come to our rescue if left to themselves.

The statement is made in the House of Commons now which says the English did use every endeavor to procure the fuel supply of the world. At that time the statement was the English must secure the fuel-oil supply of the world. And it was the action of the British Admiralty and not our friends in Tampico that caused us to be left in the lurch. They would not give us any assistance of any kind by order of the British Admiralty.

But when it was discovered Mr. Bryan was shanghaing our people and not letting them come back to their property when quiet was restored, but was shipping them to Texas, the British Admiralty then did everything they could to get everybody out of the country, even going to residents in Tampico and trying to get the Mexican landlords to also try to have them taken out of the country. So the Americans were carried out then on English boats, a few French boats, and German boats, and I saw one little boat going down the river with a bunch of Chinamen with the Chinese flag. The only American flag that I know of that was raised was raised by Mr. Doheny over his launch, and the Mexicans immediately fired on that flag and caused them to pull that flag down, and they went out under the English flag. Then the Americans outside kindly allowed them to get on their boats and be carried to Galveston.

Mr. KEARFUL. What was the attitude of the English as to Americans returning after the trouble was over?

Mr. SPELLACY. They were received with open arms. There had been 30 or 60 days that the United States Government let several hundred go back on their signing papers in which they renounced all rights to protection. When they got back they were received like long-lost brothers by the Mexican population who were rapidly starving. In fact, you take away the American payrolls

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there for 30 or 60 days and there would be starving and revolution.

Mr. KEARFUL. That is with reference to the attitude of the Mexicans. I asked you as to the attitude of the English.

Mr. SPELLACY. We were well received. We had been acquainted with those people for years. There was no more discrimination or attempt to get American territory, because there was an arrangement made soon after that that in cases of nonpayment of rentals, etc., the different companies would not jump one another's leases.

Mr. KEARFUL. What did the English do with reference to American employees?

Mr. SPELLACY. They discharged them all with one exception, I think. Mr. Hayes, who had formerly been the head of the Geological Survey of the United States—they had secured his services and he had made a magnificent organization for them down there. Their field foremen and quite a large number of their office men were Americans. As I say, with the exception of one superintendent these were discharged. I know that to be a fact, because I went up with a newspaper man when they came back and they denied that such an order had been in effect, and the newspaper man drew a copy of that order from his pocket and exhibited it, and it confused them very much, because notice had been received from Mr. Roy, I think that is the name, that there was absolutely nothing in it as to Americans being discriminated against.

Mr. KEARFUL. Who was the American consul at Tampico at the time of the incident?

Mr. SPELLACY. Mr. Miller.

Mr. KEARFUL. From whom did he get notice of the landing of troops at Vera Cruz?

Mr. SPELLACY. I think from the fact it was posted on the military headquarters of the Carrancistas. In fact, up to date, he has never received any notice that the troops landed at Vera Cruz officially.

Mr. KEARFUL. No notice was given to the consul or other American officials at Tampico that Vera Cruz was to be taken?

Mr. SPELLACY. No, sir.

Mr. KEARFUL. What do you know of the suppression of news of the incidents occurring there?

Mr. SPELLACY. We sent a committee on to Washington to state the facts before the President and make our statement of the case. The President then or never did receive a committee of American citizens from Mexico. Mr. Bryan, however, received the committee.

Mr. KEARFUL. What was Mr. Bryan's attitude about the matter?

Mr. SPELLACY. Well, his attitude was that Americans should get out of Mexico. That was about all. He did not seem to be acquainted with the circumstances or the conditions there. In fact, Mr. Turner, one of the committee, told me that in looking for Tampico on the map he looked a couple of hundred miles south of Vera Cruz, until it was pointed out where Tampico was. And I understand Secretary Daniels understood Tampico was right facing the Gulf; but they received no satisfaction or encouragement other than to get out of the country, and the permission finally that a great many of those properties—when the oil is shut in the oil runs on the ground and there is a menace to the country if it is set on

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fire, and they permitted some of the people to go back by signing that paper I told you about. Others they permitted to go to their homes by using money which had been passed by Congress, and I noticed on the head of each of those tickets they were stamped "Charity ticket."

If I might suggest, the first trouble and first difficulty fell on the American colonists. We were rather new to the oil country at that time. If I am right, and I think I am, Consul Miller told me at that time there were about 3,500 Americans in the farming districts around there who got their mail at Tampico. They stayed on their farms until their crops were taken, their horses stolen, their cattle killed, and finally they came into Tampico as paupers. I think I saw in one bunch about 118 with not only the children barefoot but old gray-haired men barefoot and without hats or coats. They were taken care of by the oil companies. There is a sample. There were formerly 3,500 Americans getting their mail at Tampico, and there are now probably 150. Those were the main sufferers.

Mr. KEARFUL. They were colonists around Tampico?

Mr. SPELLACY. Yes, sir; right in territory adjoining and tributary to Tampico.

Mr. KEARFUL. Are you connected in any way with the Association of American Oil Companies operating in that region?

Mr. SPELLACY. I went up there once, shortly after their organization was formed, and enrolled five names with the sum of $5, just to show my sympathy, just with the object of enlightening the people of the United States of the situation of Americans in Mexico, and they said that was the object. I have never been there since and have never taken any active interest in it.

Mr. KEARFUL. Are you acquainted with Emiliano Nafarrate?

Mr. SPELLACY. Only by hearsay. I have seen him in Tampico.

Mr. KEARFUL. What was his position in Tampico?

Mr. SPELLACY. He was the commander of the Carrancista forces in Tampico, later at Matamoros, and back to Tampico again.

Mr. KEARFUL. Do you remember a decree that he issued in 1916 providing that laborers should be paid and merchandise should be sold on the basis of Mexican gold and that Mexican paper money should circulate at an arbitrary value fixed by him, regardless of the commercial value of the paper money, and that the hours and price of labor should be as fixed by him? Do you remember a decree of that kind?

Mr. SPELLACY. I remember it in a general way, more particularly that he claimed the right to fix the hours and price of labor to be paid. I remember that more distinctly than the other parts of his decree.

Mr. KEARFUL. Do you remember that he called in the oil companies and they agreed to accept that decree?

Mr. SPELLACY. The oil companies did, I think, all of them—most of them—or the big companies.

Mr. KEARFUL. Do you remember a statement addressed to the President of the United States that was drawn up there at that time by a large number of independent operators?

Mr. SPELLACY. Yes, sir; I remember signing that statement.

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Mr. KEARFUL. You signed that declaration of independence, did you?

Mr. SPELLACY. If you call it that; yes.

Mr. KEARFUL. It is set out in the testimony of Mr. Buckley at page 833.

Mr. SPELLACY. Yes; we held a meeting at the Country Club and drew up those resolutions and they were sent to the border by a special messenger and sent to Washington. We then secured the signatures of those who were present and started to secure the signatures of the different companies and others interested. They practically all refused, and even some of those who had signed their names on the spur of the moment—one at least—I know a correspondent of a newspaper in the United States there and requested that his name be taken off the list.

Mr. KEARFUL. Do you remember this paragraph in that statement:

"We beg to advise the American Government that we will not obey the decree that seeks to regulate contractual relations where Americans are involved, and that we will not obey the provisons of the decree in which an arbitrary value is placed on the paper peso. To do so would be equivalent to abandoning our property."

Mr. SPELLACY. Yes, sir; I remember that.

Mr. KEARFUL. Do you remember also that this declaration was sent to Gen. Nafarrate?

Mr. SPELLACY. Yes, sir.

Mr. KEARFUL. What effect did that have upon the enforcement of his decree?

Mr. SPELLACY. Well, I remember that the climax came at the time when he arrested an American, a building contractor, and placed him in jail because he would not agree to that decree. After this man still refusing to obey he began to count wages back and until he insisted he should pay those wages and those hours for, I think, several months prior to the time the decree was issued, and the man still stood firm, and Nafarrate finally let him go with a kind of a half apology.

Mr. KEARFUL. That was after this declaration had been served on Gen. Nafarrate?

Mr. SPELLACY. Yes, sir; he released him.

Mr. KEARFUL. Did he hold the oil companies to their agreement notwithstanding?

Mr. SPELLACY. I don't know. I suppose he did if they agreed to the decree. I don't remember a great many of the details.

Mr. KEARFUL. Do you have any knowledge of criminal assaults upon nuns?

Mr. SPELLACY. The only bunch that came through Tampico—and I was not there present; my friends told me—came from up near Torreon, and George Klein told me the Mother Superior was an Irish-American or Irish, I have forgotten which, and the stories were revolting. They had a school up there for children and Mr. Klein told me later his information was they suffered the same thing. The workingmen mostly raised a couple of thousand dollars and sent the sisters on to Galveston.

At Vera Cruz, I am sure of the fact that Father Joyce, chaplain in the Navy at that time, made a statement that there were 96 sisters who had been abused by these people, 32 had become mothers, and a

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great many of the hospitals were full of these women through the country, and a great many of them killed in the interior, but we have not any actual facts as to that, except the affidavits Father Kelly secured. They were pretty hard to secure. Col. Roosevelt cried when he heard that.

Mr. KEARFUL. Did any of those people come through Tampico?

Mr. SPELLACY. One crowd of them. It was the most pitiful thing I ever heard of, I think. I can't tell it.

Mr. KEARFUL. Please proceed to state the circumstances so far as you know them.

Mr. SPELLACY. Well, it was the same; there have been 100,000 of their own girls who have suffered the same fate and two dozen American women, probably more Americans, for a great many of them do not publish their misfortune and their country's shame. The sisters called on God to help them, and they said, "There is no God," some of them. The mother superior, an old woman, told me some of the sisters had just come up from that way and the stories they told were too horrible to relate, and she, one of the most charitable-minded women in the world, says, "If our President can stop this, and don't, I don't see how God will permit him to live."

I want to say here I am no different from all the boys down there, but I came up and I got a Springfield and 1,000 rounds of ammunition and had them planted on the border for two years. I was ready to go in with anyone, with any decent Mexicans or Americans, whether it is against the laws or not, and I stand ready to do the same thing to-day, and every 100 per cent American in Tampico and Mexico would stand ready and be glad to do it. There are thousands of those boys right on their toes on the border ready to go over if you will shut your eyes and say "Sic 'em." It isn't a case of intervention with them; it is a case of our women being killed, our flag torn to pieces. We don't know the meaning of the word "intervention" and don't care for it.

Mr. KEARFUL. Where are your property interests now?

Mr. SPELLACY. In the Tampico district, and if one of those companies accused of propaganda would open their mouths and lay their cards on the table and let their people tell their stories, instead of looking on the effect it would have on their stock, there would be a great many more facts brought out here. They haven't begun a propaganda. There is only one greater crime than publishing false propaganda, and that is withholding true propaganda, and it is full of it.

Mr. KEARFUL. Do you think the oil companies are opposed to having the truth brought out?

Mr. SPELLACY. They have been until the present, when Mr. Carranza came out and threatened to confiscate their property. Now they are willing to whisper the facts. There is only one man who cared, and he is one of the most charitable men that ever lived, but he has his company's interests to look after, I suppose, like the rest of them.

Mr. KEARFUL. Do you think the employees of the oil companies would be willing to come to this country in a body and tell the truth if the oil companies would pay their expenses and permit them to come?

Mr. SPELLACY. I am positive they would, although they risk their lives, but the boys down there are willing to risk it. If their com-

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panies would tell them to come and tell their stories, they would come almost unanimously, I think. But as it is they tell me now when these bandits attack them, one of the boys—Tom Allen particularly—he said he was so enraged when most of them had gone through the camp and there were only three left, and they had a revolver, he was so enraged he wanted to take the revolver and kill them, but he said, "What is the use? If I kill them it is a Carrancista soldier I kill, and if they get away they were bandits."

There have been some bandits, but the boys know the robberies and the outrages are done by the Carrancista soldiers, and when the United States Government says "We will protect property but not lives" and when the boys get tired of this and come to Tampico, Consul Miller says to them, "Go back. You are doing as good work as the boys in the trenches." Tom Allen says, "and a damn sight better. They get a chance to fight but we can't." But they went back.

Mr. KEARFUL. Do the oil companies suppress the facts in regard to the robberies and outrages committed by Carrancista soldiers?

Mr. SPELLACY. Oh, yes; the oil companies and the American Government did that right along until lately. You can't get the news in your papers. Indeed, two men told me they tried to get this in the papers and the Associated Press says, "There is a kind of censorship over Mexican news."

They can talk about propaganda and the suppression of it. Our Government has suppressed the truth, and if a committee like this can give out a few facts they should do it. Most of the companies are opposed to taking the chances. All I have got in the world is in there, but I will take a chance, and if they will take the chance and come out and tell these things, then if the American Government don't take things in hand, take them in hand themselves.

Mr. KEARFUL. How could they take things in hand themselves?

Mr. SPELLACY. As the captain of one of the American gunboats said to me one day, he said, "Why in the world, with as many Americans as you have here, don't you do like they did in Panama? Why can't you take Tampico?" I said, "Roosevelt isn't President."

Mr. KEARFUL. What is the reason for the attitude of the oil companies in suppressing the facts about outrages and robberies of Carrancista soldiers?

Mr. SPELLACY. Well, the main reason, I am afraid, was that they were making money; the second was that they consider the facts were so plain and so well known to our Government that ultimately their property must be protected. But the opinion has become general through the country and through Mexico that there is no protection for American property. I don't care so much for that, but it reminds me that I was through Peru and Brazil this summer, and whenever they would state they wanted foreign capital to come in their country, and particularly American capital, I used to look at them suspiciously, because I thought they felt American capital was easily confiscated. We have had some protection during the war, because they had to have the oil.

Mr. KEARFUL. Is it true, as stated by Mr. Buckley, that operators in that region of Mexico must either bribe or fight, and that the oil companies, not being willing to fight, adopted the alternative of bribery?

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Mr. SPELLACY. I am sure of that. The United States Government on this side of the bridge and the Mexican Government on the other side of the bridge seeing to it that you get no arms in there; you can't fight. There have been some arms smuggled in, but you can't fight. I could go into more details on that which I am positive are facts, but I hope these companies will make those statements, as they positively could.

Mr. KEARFUL. You think the bribery is not because they want to bribe, but because they are compelled to do so in order to continue their business?

Mr. SPELLACY. Oh, certainly. No one voluntarily stands for any extra expense.

Mr. KEARFUL. The bribery, as I understand it, consists of paying Carrancista officers and agents to do what they ought to do in accordance with their duty under the law without payment?

Mr. SPELLACY. That is the common talk through the district. Now, those boys down there with their books and their facts can probably prove that. I can only say it is the general belief.

Mr. KEARFUL. The bribery is not resorted to for the purpose of getting anything they are not justly entitled to, but simply to get some relief from impossible conditions?

Mr. SPELLACY. Oh, yes; it is absolutely necessary. And another thing, there is undoubtedly an antagonism between the Americans and the Carrancistas. The Carrancistas are the most unpopular people in that country, even with their own people, and our boys, who have had their friends murdered, don't like them a little bit, and the Carrancistas show every contempt, as a general thing, for Americans. But I can say this for Pelaez, on the other hand, that it has been quite otherwise. He was our friend during the war; would not permit any propaganda of any kind in the district; would chase out any persons that there seemed to be any suspicion were there for that purpose. And one of the boys in camp told me some years ago that he was present when Pelaez said, "If the Americans will land in this oil district and give them protection, I will not fight them; I will retire." And one of his best fighting men said, "Retire; I'll stay here and carry water for them." So I know the feelings of Pelaez and his people are not anti-American.

Mr. KEARFUL. Do you know how much the American oil companies are paying the Carranza Government in taxes and otherwise?

Mr. SPELLACY. No; I do not know the figures. It is increasing all the time.

Mr. KEARFUL. Is there any other matter of interest which you can think of which you can state?

Mr. SPELLACY. I do not know, Mr. Chairman. I do not like this accusation which is being made here about this propaganda that is being made in favor of the American oil companies, because I know from the start there it was the rural population that was the main sufferers, and not only at Tampico, but through all Mexico. It has finally concentrated in the oil region, because there is about the only district where there is any American capital which is in operation. But along the border, and particularly through there, it is generally known that some papers in Texas—I have not the facts for it—but the papers speak for themselves, that they are being subsidized by the Carrancistas to not publish the facts, and

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when we find any American going into Mexico and stating facts against American intervention or Americans righting of these wrongs, and in favor of the Carrancista Government, we know in our own hearts they can not as Americans state those facts and believe them. We have had one witness here, only speaking in a general way until I can find the proof, who is said to have peddled his interests along the border in favor of the Carrancistas, but I have only the statements of two men for that, and I won't make any further statement until I can get these two men and get their statements. But if you could send some one—and I will contribute to the expense of it—if you can send some man who can not be bought, like Sam G. Blythe, or some one like him, who would go there and report the truth—I can speak for every oil man—that he would contribute to the expense of that, because if any newspaperman goes in there he can make more money from Carranza than from any publisher outside, if he will misstate the case.

Mr. KEARFUL. Do you think that has been the controlling motive of the men who have gone down into Mexico and come back and published propaganda against the American operators and in favor of the Carrancistas?

Mr. SPELLACY. I am forced to that belief by one of two things, either that they have not investigated or they are not reporting truths.

Mr. KEARFUL. And you think also that the question is very far from being an oil question; that is, the question of American rights?

Mr. SPELLACY. Altogether. It applies to Americans in every part of the country. You see, however, American operators now are confined to a very small strip and attention is drawn to it on that account, but I came up around Cananea, and around there, whatever is said there, I wish to say that Carranza's orders are being paid but very little attention to. Oil men have told me they get their orders from Carranza and take it to the governor, and if he didn't tear it up he would write something insulting on it, telling him he was running Vera Cruz. One of the boys told me they got messages going over the wire to Calles trying to get him to give Carranza a portion of the plunder he was receiving from the Cananea mines up there, but it was impossible up to the time he left for them to get anything from the governor.

Then the colonel refuses to obey the governor, the captain does as he pleases, the corporals and privates run on their own accounts. Anybody who investigates Mexico will find those to be facts and not exaggerations. So I can not understand an American not finding these conditions. They might go into Mexico City and not find these conditions, but if they go where they exist they are forced to these conclusions and to the view that we must go in there. If we did go in and straighten things out, it would be of the greatest benefit to 75 per cent of the Mexican people if we should take them and make them a part of this Government. We might do that, but it would be a mighty big task and it would not be to our interests to do anything of that kind. You can look at Texas, Arizona, California, and see what annexation has done for them, and then look at Mexico. And there are many of these Mexicans who wish we would come in and annex them. Two of the finest Mexicans that I know told me awhile

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ago, "While we would not dare to preach it in Mexico, the best thing for our country is annexation. We know it has gone too far for us to get Mexico in proper shape and make it an independent government—things have gone too long for anything but to have Americans take our country, it would be the best thing for us." I know these Indians down there and in a couple of years they would be chesty because they belonged to such a fine Government, and the country is full of orators who would come to Washington and join the orators here and everything would be peaceful. But it has gone too far. And another thing, the longer it goes the harder it will be.

When I first went there there was not one of these peons who now constitute this rabble of any army who knew which end of a gun to put to his shoulder, but they have been shooting and firing until some of them are pretty good shots now, and the longer it goes on the worse it will get. I understand there is a program for reorganizing the army and in less than six months there will be 2,000 officers of a foreign government in there. I see that Carranza is reforming his army, and possibly that is so. If you feed and train those fellows they will make a formidable army. They have never had enough arms and munitions, but if they get plenty of arms and munitions they will make a formidable army. There is a sort of fatalism with them. They will run, and then they will turn around and line up to be shot, and smoke cigarettes and say "Adios." They have been used to that for generations.

I think that is all, Mr. Chairman.

Mr. KEARFUL. The committee is very much obliged to you, Mr. Spellacy.

(Witness excused.)

(Whereupon, at 3.05 o'clock p. m., the committee adjourned till Monday, January 12, 1920, at 2 o'clock p. m.)

Testimony taken at El Paso, Tex., December 22, 1919, by Maj. Dan M. Jackson, in pursuance of an order of the subcommittee of the Committee on Foreign Relations of the Senate:

Mrs. SUSAN A. MOORE, being duly sworn, testified as follows:

By Maj. DAN M. JACKSON:

Q. Will you state your name to the stenographer?—A. Susan A. Moore.

Q. You are the widow of John J. Moore?—A. Yes, sir.

Q. Where is your residence, Mrs. Moore?—A. I don't know just what you mean by that.

Q. Where do you live now?—A. At the Paso del Norte Hotel.

Q. Did you formerly live in Columbus, N. Mex.?—A. Yes, sir.

Q. For what length of time?—A. Five years.

Q. Do you recollect when you moved there?—A. 13th of December, 1912.

Q. Did you and Mr. Moore have any children?—A. No, sir.

Q. When did Mr. Moore die?—A. 9th of March, 1916.

Q. Will you kindly relate the circumstances attending his death?—A. Now, do you want a little previous to the raid; what happened?

Q. Yes?—A. Sometime previous to the raid there had been a number of reports to the effect that Villa was going to raid Columbus,

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and there were also a number of strange Mexicans in town, say, for about a week beforehand. On the day before the raid, after I had had my Spanish lesson, the young lady said to me: "Mrs. Moore, you are not afraid of Villa?" I said, "No; and you?" She said, "No; I have no fear, but my mother and my brother have very much fear." There were two Mexican women in the store the same afternoon, and one of them said to the other, "Do you think there is any truth in the report that Villa will raid Columbus?" and one of them shrugged her shoulders and said, "No." After they went out I said to Mr. Moore, "Do you think there is any danger?" and he just smiled. A little later I was sitting in the back end of the store doing some lace work, and a customer entered. I got up to wait on him; as I got within about 12 feet there was a cold chill swept over me. I looked up at him; I saw he was a small man with dark eyes, black mustache. He had on one of these high-class Mexican hats, and I thought to myself, "He must be a lieutenant in the Mexican Army," and I asked him what he wished in Spanish, and he said, "Pantaloons." I was a little bit uncomfortable all the time I was waiting on him because I felt he was looking at me continually. I did not look at him any more until I handed him the change, and I took a good look at him again because I thought if it was ever necessary to know him again I would recognize him, and he smiled and took his change, and I could feel his eyes on me all the time. As he passed out he gave Mr. Moore a very earnest look. I asked Mr. Moore if he noticed him, and he said, "Yes." I said, "He must be a Mexican officer." Between that time and 6, which was about 4 o'clock, I was debating in my mind whether it would be better to stay in town that night or go out to our country home a mile and a half southwest of Columbus. I decided it would be better to go out there because if they did come in they would raid the stores and hotels, and I thought he would hardly come out of his way for just one family. We went home between 6 and 7, and we stopped at Mr. Moore's cousin's, Earl Moore, half a mile from our home, and I said to Mr. Earl, "You want to look out; they say Villa is coming to-night sure," and he laughed and said it would tickle him to death.

Q. Who was Col. Moore?—A. Earl Moore, a cousin of Mr. Moore. The next morning, as he made his escape through the back window and was crawling on his hands and knees to the barn, he thought of what I said. They took two horses from him, but he was not hurt any. About 10 o'clock I stepped out on the porch——

Q. At night?—A. Yes, sir; at night. And listened a while, and I did not hear anything, and I stepped out into the yard, and it was a beautiful moonlight night as I ever saw, clear as crystal. I could not see or hear anything, and I went back in the house rather reassured. Before retiring I laid out a heavy, long coat, just in case I should need it. We retired about 11. I studied about the situation for an hour and went to sleep. About 4.30, I should think, in the morning I was awakened by some shots, and I laid still and listened; then directly I heard a number of shots, and I thought: "That is a machine gun," and in a little while I heard some more shots from this machine gun. I did not hear any noise around the house, so I hurriedly awoke Mr. Moore. I said to him: "Look, Villa has come in, and he is burning the town." He looked out. We were on the sleeping porch facing town. He said: "You are right;

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we had better get dressed." We hurriedly dressed in the dark so as not to attract any attention by making a light; then we went to the front of the house and listened and looked; not seeing or hearing anything, we drew the blinds within 6 inches of the bottom of the window, so we could see out without being seen; then we went to the back of the house, and Mr. Moore stood at the pantry window, screening his body, and just put his head over so he could see, and I got up in front of the window, and he said to me: "If I were you I would not stand directly in front of the window; you might be hit by a stray shot, or some one might see you." I then went to the kitchen and sat down opposite the little kitchen table and watched the burning of the town through the kitchen window. From time to time I would go in where he was, and on one of those occasions I saw a dark object coming down the road. We watched it come to the front, and we decided it was a man on horseback. He was coming just as fast as he could come and did not even look toward the house. We watched him until he was well by, and then went back, and in a little while there were two more Mexicans on horseback come down, and they rode past.

I don't know why, but I watched the crowds come by, and then there were five and seven and nine, and as we watched these all pass I said to Mr. Moore: "Maybe we had better go to the mesquite bushes and hide." I says: "Some of these fellows may take a notion to come in." He says: "No; I don't think so; we have always been good to them, have harmed none of them, and carried them on our books; we have nothing to fear." We went back then to the back of the house, looked up the road, and I saw a large number coming down. We went to the front of the house. I counted 17. These stopped right in front of the house; a number of them got off their horses. There was a group that stopped beside the well and was looking at the top of the water. I again said to Mr. Moore: "I wonder if any of them will come in." He said: "No; I just think they want some water." I then looked out of the north window at Mrs. Walker's gate, at the beginning of our land. There was a man on a white horse with a cape coat. He looked down the road to these men and motioned to them and then motioned to Mrs. Walker's house, and a number of them, about 10 I suppose, went over and began rapping on the door and looked in the windows. I glanced up toward town, and I saw that the road was thick with them, and they were breaking from town just like a sandstorm; I guess the entire army was coming that way. It seemed to me like a quarter of a mile on either side of the house the road was filled with men. This man on the white horse; I looked back at him; then he motioned again toward our house, and there were 40 or 50 all around the gate, opened the gate and began pouring into the yard. Mr. Moore said to me: "We had better get in the dining room; we will have better protection." I hurriedly stepped to the dining room and then heard these men come up on the porch. They tried the door, which was locked, and then one of the leaders, who had been leaning on the fence previously looking at the water and house, he took the butt end of his gun and smashed in the west bedroom window.

When I heard the crash I stepped where I could see, and I saw him just in the act of entering. Mr. Moore then opened the door. This leader came around, came in, and was followed by a number of

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men, just as many as could come into the house, and he said something to Mr. Moore, which I did not hear, and Mr. Moore said no. Then this man looked across Mr. Moore's right shoulder at me and said something else, which I did not hear. Mr. Moore again said no. Then this leader raised his gun and shot, and others raised their sabers, and a few began shooting and stabbing him. He made one rush for his gun, which stood right at the corner of the door, and they blocked his way, prevented him from getting it, and closed right around him. Just then I heard a number of steps on the back porch. The kitchen and dining-room doors were not locked, and a second later the dining-room door opened and the same Mexican who had been in the store the day before purchasing a pair of 32 overalls came in, with his gun just about on a level with my heart, and he said to me, "Gold, money." I told him in Spanish there was no money here; the money was in the bank in Columbus. I told him to take anything that he wanted, only to leave us. He then saw a ring on my finger—my wedding ring. I started to put up my hand—show him my hands. He came around in front of me, grabbed hold of my hand, and started to take off this ring. The house was filled with Mexicans then from all sides, and one of his men stepped up and grabbed me by the right wrist and another one by the left. This, I knew, was very tight. I had my doubts whether they could get it off. I had tried it the day before with a silk string; and thought they would cut my finger off, so I tried to help them get off my ring. As I did, he noticed two rings on my right hand, so he started to take these off. They were quite tight; I started to help him.

I looked out to see how Mr. Moore was getting along. He was about halfway across the porch and he was surrounded by these men, and the left side of his face was all bloody; there was blood all over him. I knew he was either dying or just at the point of dying—staggering. They got the two rings off then, and they started in on the other hand, and I looked out again and I saw Mr. Moore on the front steps. I knew then that he was absolutely killed. One man was taking off his rings, another man had his watch in his hand, and they were taking his clothes. I thought at that time that to save myself I would either have to outwit them or startle them, and the thought came to me to scream, and just as the wedding ring was leaving the last joint of my finger I screamed twice, and at the same time I looked toward Mr. Moore to attract their attention away from me to him, and their hold loosened on my wrist just a little. I gave one big jerk and jerked away from them. I pushed the dining-room door open, and I was shot at in the kitchen. There is a big hole there now about that big around. I ran across the porch, and as I stepped down I looked out toward the garage, and there were a number of Mexicans around the garage, and when they saw me they shouted, "Senora, senora, mira," and began laughing. The camp was about a mile from home, and I started to see if I could run there. I ran just as fast as I could. When I got within, say, about 100 yards—the bullets were flying very fast all the time—and I felt a sensation in my right leg. I knew I had been struck. I went ahead. In about 50 yards from there I fell. I knew I must not lay still, because it would mean certain death, so I got up again and went a little ways farther, and my right leg buckled up on me and I fell again. I got up again and went as well as I could, rather slowly. I had to kind

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of hop on one leg and carried my wounded leg. The fence was about—we had 20 acres inclosed—the fence, I think, was about 100 yards from where I was then. I thought if I could only get over the fence I would be so much safer.

I got up to the fence, and then went to get on the other side. I thought that would be impossible, because it was a rabbit-proof fence, buried about a foot in the ground; on the top was three barbed wires; I did not see how I could climb it; I knew I did not have strength enough to dig in with just my hands, but I tried, and I got over the fence without even catching any of my clothes; I fell right down side of the fence; I laid still a little while; the shots were coming just as fast as they could come; I looked back and saw that the house was almost surrounded by Mexicans in great numbers, and there were, I guess, 50 or more guns pointed in my direction, all shooting. There was a cluster of mesquite bushes about 25 feet from me; I thought if I could get over there and crawl under the mesquite bush and cover myself up with the dark coat they might think I was dead and stop shooting; I was unable to get up at all, so I dragged myself on my left side over to these bushes and got in around them as well as I could, and I had on a white waist and a gray skirt, and covered myself up so nobody would see that I was a woman, and turned my face in the other direction. I reached down; I felt that my clothes were all saturated with blood; it kind of sickened me. I thought, "Well, my time has come." I closed my eyes, and prayed, and was unconscious for the first time in my life. Later I was aroused by the sound of horses' hoofs, and I looked up and I saw the United States Cavalry; the Thirteenth Cavalry come across the corner of the 20 acres. I looked down at the house; I saw there was no one down there at all.

I then took out my handkerchief and reached as high as I could and hung it on a mesquite bush and called and waived. Directly I saw three horsemen turn out in my direction. As they came up I recognized Capt. Smyzer, with a private on either side. As they came up he said, "Why, it is a woman," and he said, "My God, Mrs. Moore." He asked me if I was hurt, and I said, "Yes; Captain, I am shot," but I said, "I can wait if you will go down to the house and see what you can do for Mr. Moore; they have killed him, and you will find him on the front porch." He said, "But we must do something for you first." I said, "I am only shot in the leg; I can wait; I would rather you would go down and take care of him." He then said to the private on the right, "Get the ambulance." This man almost turned his horse over in his haste, and he said, "All right, Mrs. Moore, we will go down and take care of Mr. Moore; we are chasing the bandits into Old Mexico, and we will have to hurry." I said, "All right." I watched them until they got down to the house, and I thought the ambulance would soon be there, and my leg was paining me terribly then and bleeding very freely, so I tore my petticoat ruffle and bound myself both above and below the wound. I closed my eyes again, and was unconscious. Just at the time I was very cold, too. It was early morning and very cold. I closed my eyes, thinking the ambulance would soon be there and I would be all right. A little later on I was aroused by pain in my leg. I looked out and I saw a number of the United States boys scouting, with their guns drawn. I raised up and motioned to them,

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and one of the boys came over to me and he said, "Mrs. Moore, you raised your face just in time; I thought you were a Mexican, and was going to finish him." He said, "I never dreamed of you being way out here."

A number of them rushed up then, and two then pulled off their coats and made a bed for me, and Sergt. Johnson, he just cut my clothes right down and gave me first aid to the injured, and when this was finished Lieut. Castleman, who was officer of the day, came up, and he asked if the ambulance had not arrived yet; some one said "No." He said: "See that it gets here at once." He said: "Have patience, Mrs. Moore; we are very busy this morning; you will be taken care of just as soon as we can." I said: "All right." At this point there was a woman—Mrs. Maud Hawks Wright came up, and she was dressed in a coarse linen dress with a little Dutch bonnet, and was very, very dirty. However, I was glad to see a woman, especially an American, and she came up to me and said she had been a prisoner of Villa for nine days. I looked at her; she looked like she was hungry to me. I asked her if she had had any breakfast. She said: "No." I told her when we got to town to go to any of these restaurants and get whatever she wanted and have it charged to me, and I asked her to stay with me and go to town with me in the ambulance, which she did. When they started to lift me to put me in the ambulance they thought my leg was broken or something, so they dug up a fence post and bound it to the right side of my body, so as to lift me easier. I had them bring a mattress from my home and put in the ambulance. I was taken to headquarters, where Dr. Cummings, an Army doctor, began dressing my wound. I was then taken up to the Hoover Hotel. As they passed through town I raised up sufficiently to see the hotel, Lemon & Rumney's store, and Juan Sevilla's home and some other buildings in ruins. I also saw a large number of Mexicans, dead Mexicans—dead and wounded Mexicans. As we passed the store I noticed the windows were all smashed in; the store was raided.

I arrived at the Hoover Hotel about 10.15; I had three nurses; all that night the town was heavily patrolled. The guard outside of my window told me if I could sleep to do so, he would see that no one got there. The Hoover Hotel—the floors were just covered with men that night, and women came there for protection and to spend the night. Friday, the next day, there was a great deal of excitement, as some one reported that the Mexicans were starting and were coming back. I was carried from the front room, in which I was, back to Mrs. Hoover's room, covered with a mattress, and my nurse covered herself as well as she could. I was at the Hoover Hotel Thursday and Friday, and Saturday I was put aboard the El Paso train, the same train on which the dead bodies were taken for El Paso. Mr. Moore's body was taken to the Peak establishment, as I decided to have him taken back to his home at Bucyrus, Ohio. I told them I wanted to accompany him; they told me that was impossible; but I told them to get me a ticket and make preparations, I had decided to go. I was taken to the big hospital here, Hotel Dieu, where I was again treated, and was there the rest of Saturday and Sunday, and Monday I was taken to the train and put aboard on a stretcher for Ohio. I had just one change to make at Chicago, and that was made with difficulty, because I had to be taken in and out

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of the window, and at the latter part of the journey I had to be turned about every five minutes, I was in such pain. When they got within about two blocks of the depot at Bucyrus I looked out of the window, and I saw a funeral procession; this was Mr. Moore. My train cut the procession right in two. This was as near as I got to attend the funeral.

Q. Now, Mrs. Moore, what business was your husband engaged in at Columbus?—A. Merchandise, dry goods.

Q. Approximately, what was the amount of stock he carried there?—A. Well, we had a stock, I should think, about $10,000 or $12,000.

Q. General merchandise?—A. Yes, sir.

Q. You had been engaged in business there since 1912?—A. Yes, sir. Mr. Moore had a partner, Mr. Peck. I said to him one day, "What is the use of dividing the profits as long as we are going to stay out here in this awful country?" I says, "We can take it ourselves, and be through that much sooner." I said, "I will be your partner." He laughed and said, "No; I don't want you to." I said, "Well, you can use my name; we can get through that much sooner." So I said, "I will tell you what you do, let him buy us out or we will buy them out—him and Mrs. Peck." So it fell our lot to buy them out, and the firm became Moore & Moore then. I did not do anything in the store. I just loafed down there a good deal, because it was more agreeable than staying at home.

Q. You owned a merchandise business in the town of Columbus?—A. Yes, sir. At the time we took it over we owed the bank money, and we owed quite a bit for merchandise, and things were not paid up, were not cleared up. I was absolutely helpless, so I gave a power of attorney, and I was away for—let me see—March, April and May; returned to Columbus the latter part of May. I was very unhappy up there. I did not think I would ever see this part of the country again. But I decided if I ever paid out the debt—got out clear—I would have to come back and see how things were going. I came back, and things were not going right. I was not being treated altogether fairly, and I knew then—I knew I would just never get out of debt if I did not take charge myself, so I revoked my power of attorney, and on the 14th of June I took entire charge of the store, and I conducted the business up until March 3 of this year. All this time I had to live in the back end of the store, with a revolver under my pillow and another one up in the front end of the store. During these three years there have been a number of reports to the effect that Villa was coming back, so I just lived in fear all the time; I was afraid of a nervous breakdown.

Q. You owned about a twelve thousand stock of merchandise. Where was your residence in reference to the town of Columbus?—A. A mile and a half southwest of the town.

Q. A mile and a half southwest?—A. Yes, sir.

Q. How far were you from the border?—A. Mile and a half.

Q. When did you first learn that your husband was dead, Mrs. Moore?—A. Before I left the house; I could see him.

Q. You say he was shot and stabbed?—A. Shot and stabbed, and his body was just mutilated. They did not let me see him afterwards; they did not let his sister know. I know because I just saw what they were doing.

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Q. Do you know whether or not there was a post mortem on his body there?—A. I don't know.

Q. Was his body prepared for burial there or here?—A. I think something must have been done there to get it to El Paso, and then taken to Peak's establishment, and then further taken to West & Co. there, and was further fixed up.

Q. This was on what day in March?—A. March 9, 1916.

Q. You stated in your preliminary statement that you had had some notice or warning of a raid?—A. Yes, there were a number of reports.

Q. Ma'am?—A. I would say for six weeks or more.

Q. What were they?—A. You would just hear—people would come in the store and say they heard Villa was going to raid the town; some would laugh, and say nothing to it, and others were uneasy.

Q. Was the rumor persisted in; did you hear it often?—A. Quite often, the last part, within a week of the time it occurred. Quite often.

Q. Was that from the Americans or Mexicans or both?—A. Both.

Q. Who was the commanding officer at that post?—A. Col. Slocum.

Q. Did you ever hear him talk in regard to the anticipated raid?—A. I don't recollect anything definite. People would come in the store and they might say something, and they might not.

Q. Had you been living in the store before this raid?—A. We had one room at the back end of the store. We had a couch we could make into a bed any time we might choose to stay there.

Q. Did you go to your residence this night by reason of fear of a raid?—A. Yes, sir.

Q. Your store is right in town?—A. On Broadway—the center.

Q. What was your home worth?—A. I don't know, exactly, but I think we spent $4,000 on the building, and the well cost us in the neighborhood of $1,300.

Q. Was the house damaged by the raid?—A. This is the condition of it, standing idle; people have torn the metal out [referring to photograph].

Q. Were the windows broken?—A. Yes.

Q. Did you suffer any loss of personal property from the raid?—A. Well, yes; there were three rings and a number of things in the house. I had a very handsome bunch of paradise, worth about $75; they were gone. I had a hand-painted vase I brought from New York with me, worth about $35, and a number of things taken from the house—household effects. When I went back it seemed like it was almost empty. We had three tables in the store that overalls were piled upon, size 30 on one, and 31 was on another. When I got back, it seemed to me like there was about a dozen pair left.

Q. Did you take an inventory?—A. No; I did not.

Q. Did you approximate what you lost out of your place of business?—A. The man who had charge did; I don't know what was taken out; I was gone for three months, and the store opened up, I believe, on the 13th again for business. He told me he did not buy any more than what he had to to carry on the business with, because I had decided to sell and get away as soon as I could.

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Q. Then there was no approximation made?—A. No, sir. Before the raid the store was just jammed from the floor up to the ceiling, we had the heaviest stock we ever had, we were doing a good business, but after I went back and looked around I hardly knew the place. My first thought was simply to go back and close out everything and get away, go back to New York to my home, and I saw that would be impossible if I was ever out of debt, and the only thing to do would be to take charge, and do the business, while it was there to be had. The troops were in Old Mexico then. So I took charge, and did all the buying and bookkeeping and everything like that. I did not know anything about it. So as to know what price I would ask I told the drummers I was going to take charge. I said: "If you want me to buy from you, you will have to help me, when you make out your bill make out also the retail price I shall charge, so I can get my bearings," so they all did this, and I worked the stock down to a very small amount; and then the latter part of last February there was a report that everybody was very much concerned about. Mr. Burton, the telephone man, I know he backed his machine in the garage, so he would not have to take time to turn it around, so if anything happened. Mr. French did the same thing, and I don't know how many others. I stayed all night with these people, and one of the captains, who lived near the Burtons, came over and asked permission to leave his wife there in case anything happened he had to go on duty. Nothing happened. So along about the 1st of March there was another report that was very strong. I just thought I could not stay any longer.

Q. I am just trying to get at what was the loss in personal property there by reason of the raid?—A. I just don't know.

Q. Did you lose any silverware from your residence?—A. No; two or three days before the raid I gave it to a party, and they did not get any of it.

Q. You lost your watch and rings?—A. His watch, and all of his clothes, except two suits of underwear. He had a number of good suits. His ring was taken, his watch, and his clothes, and a number of—I don't know what they took out of the house.

Q. Do you know the approximate value of the property taken?—A. No.

Q. And you have not approximated the value of the property taken from the store?—A. I can not do that.

Q. As you went to the hospital that morning, did you learn whether the store had been broken into?—A. Yes, sir; the windows were all smashed in. The front of the store was all smashed in.

Q. Now, you say the raid occurred; you saw the fire about half past 4 in the morning?—A. I would think so; we did not make any light. I don't know what time it was, I did not want to attract any attention.

Q. How long was it after you noticed the fire before the American lieutenant came up to you, the American captain?—A. I would think it only took about, I would say about 15 or 20 minutes for them to attack the house and us, and kill Mr. Moore, until I got away. I think 20 minutes would cover all of that. I don't know how long I was out there in the mesquite bushes.

Q. Was it after daylight?—A. Yes, sir; after daylight. In fact, before I left the house it was light enough to see well, you know.

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Q. How old a man was Mr. Moore?—A. Forty-two.

Q. Did you suffer from this wound, Mrs. Moore?—A. I am suffering right now, so far as that goes; my legs are a little sore, and at times I limp.

Q. What physician attended you here?—A. Dr. W. L. Brown.

Q. Now, this is a picture of your residence prior to the raid?—A. We built it and got it in shape like that the first summer, it was built in 1913. On the right we had a beautiful rose bush, and a rose garden all around here, and a rose bush around here. This is the vineyard with 81 vines, which were bearing, and then out here to the south of the house we had about 10 acres in fruit trees. That was the first summer, so at the end of 1916 you see we had got it in very good shape. As it is now I can not get anybody to live there. I succeeded in getting a few people in for a short time.

Q. Would you like to leave these photographs with the committee?—A. Yes, sir. Here is a newspaper clipping from the Tribune, and here is a little sketch of Mr. Moore.

Q. Now, you spoke of a Mrs. Wright that came to you?—A. Maud Hawks Wright.

Q. Where is she now, Mrs. Moore?—A. I have no idea. She was the one that was Villa's prisoner for nine days, and Mrs. Slocum brought her here to El Paso. She is the one that Villa killed her husband, and took her child. There was quite a bit in the paper about it, I think the child was cared for by a Mexican woman, and she got it afterwards.

Q. This story here you have handed me, with head lines "Columbus Raid, Mrs. Lillian Riggs?—A. Yes, sir; she was the custom man's wife.

Q. Now, Mrs. Moore, you say the Mexican who held you up and robbed you of your wedding rings, was the man to whom you had sold the pantaloons?—A. No. 32.

Q. Do you know his name?—A. I do not.

Q. When was this in reference to the raid?—A. The day before, about 3 o'clock in the afternoon.

Q. You have described his dress?—A. Yes, sir; he had on a pair of overalls, I don't know what kind of leggins, and this beautiful Mexican hat was what attracted my attention, and then his eyes were very piercing, and he had a rather heavy mustache, and heavy eyebrows, was quite an unusual man, and I recognized him instantly when I saw him the next morning.

Q. Do you think of anything else you would like to say, Mrs. Moore?—A. I think that is all.

Q. Mrs. Moore, were you familiar with the Villa soldiers?—A. Yes, I think so. These looked more like bandits to me. They were not dressed in soldier's dress at all—just dressed every way.

Q. Did you recognize anyone aside from the one you have spoken of, to whom you sold the pants? Did you recognize any of the balance of them?—A. No.

Q. Did they seem to be in charge of anyone, any officer with them?—A. Yes, sir; I think there were three officers. The man who came in on me and the man who stood at the fence looking over at the water sometime, he looked like this fellow Lopez.

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Q. How did you recognize him as Lopez?—A. I saw a picture in the paper of him later on, I could not swear to it, but it seemed to me to be the same man.

Q. Martin Lopez?—A. Yes, sir. And then there was a man who was on horseback—I could only see this party's face, as he motioned like this—he was an officer of some kind—I don't know—I saw Villa once, and he was about Villa's build, and his general style; I can not say it was Villa.

Q. Was he the man you spoke of as being on the white horse?—A. Yes, sir; he was on a white horse, with a cape coat. I only saw him standing in the road on this horse; did not see him sufficiently well to say who it was; from general appearance he resembled Villa; whether Villa or not I can not say.

Q. Was it your impression that he was in charge of the expedition?—A. Yes, sir; he stood there; they did not do anything until he came up. He stood there and motioned to Mrs. Walker's house, and then motioned to our house, and then came in.

Q. What statement did Mrs. Wright make to you?—A. She said she had been taken prisoner by Villa.

Q. At what place?—A. I don't remember. That her husband was killed, and she did not know what became of her baby; they took her baby.

Q. And that she had been a prisoner for nine days?—A. Nine days; and she said they treated her just fine; when I asked her if she was hungry she said "Yes." She said she had not had anything to eat for about nine days except raw meat. When they got hungry they killed a mule or horse and each one of them would take a piece of meat; if any was left they would hang it on the horns of their saddles; when they got hungry again they would eat it.

Q. Did she tell you whose force this was?—A. She said she had been a prisoner of Villa for nine days. I assumed it was Villa's force.

Q. Did she say whether there had been any indignities heaped upon her?—A. No; she said they had been just fine.

Q. Did you understand from Mrs. Wright that she had been taken prisoner in Mexico?—A. I don't know; she did not say. I have been in the hospital twice since then. My ankle here—I am inclined to think this is a result of nervousness—I cut it to the bone, and Dr. Brown took care of it.

Q. Did you cut it on the barbed-wire fence?—A. No; this was since I came to El Paso. I dropped a bowl and cut it to the bone; a piece flew back and cut my ankle to the bone. Dr. Hughes put in two stitches that night, and the next morning I had to be carried in a chair out of the hotel to the hospital, and Dr. Brown put in a number of stitches; he had to cut it up here to catch the ligaments.

Q. You still, I understand, was suffering from the nervous shock?—A. Yes, sir. I feel this was the result of it, because everything I touch, you know, I am just as nervous as I can be.

Q. What is your permanent address, Mrs. Moore?—A. Before I came out here, Walcott Hotel, New York City; then Columbus; and then came here to the del Norte; then I went back to Columbus; then came back to the del Norte Hotel again for a couple of weeks, and went over to the Y. W. C. A.

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Q. You can be reached there by letter?—A. I am going to Columbus to-morrow.

Q. That is for the holidays?—A. Yes, sir; I only expect to stay there two weeks.

(The claim for damages, photographs of the Moore home, and the newspaper clippings were deposited with the committee.)

Testimony taken at El Paso, Tex., December 26, 1919, by Maj. Dan M. Jackson, in pursuance of an order of the subcommittee of the Commttee on Foreign Relations of the Senate:

JOSEPH ALLEN RICHARDS being duly sworn, testified as follows:

By Maj. DAN M. JACKSON:

Q. What is your name?—A. Joseph Allen Richards.

Q. What is your age?—A. Thirty-five.

Q. What is your business?—A. Switchman.

Q. Where have you recently been employed?—A. The last switching I have done was on the M., K. & T. at Parsons, Kans.

Q. During the month of October, this year, were you employed?—A. Yes, sir.

Q. Were you a civilian employee of the Army?—A. Of the Army? Yes, sir.

Q. As such employee, did you have anything to do with the recovery of the bodies of the aviators who were lost in Lower California?—A. Yes, sir.

Q. Do you remember their names?—A. Cecil Connelly and Frederick B. Waterhouse.

Q. What was your first information or knowledge of the whereabouts of these bodies?—A. I found them while on a trip to Mexico in the Bay of Los Angeles, Lower California.

Q. Is that on the east or west coast of the peninsula?—A. Now, I want to ask you a question in regard to the coast; the west coast is on the Pacific side?

Q. In reference to the port of Guaymas, which is across the bay from the peninsula?—A. No, sir; it is right across from the Tiburon Island.

Q. It was then on the west coast?—A. No, sir; it was between Sonora and Lower California, on that side. The Gulf is between the two.

Q. It was at a point opposite the Tiburon Island?—A. The Tiburon Island; yes, sir.

Q. What was the approximate date you discovered these bodies?—A. Twenty-first of September at 12 o'clock.

Q. In the day?—A. Yes, sir.

Q. Just relate the circumstances under which you happened to find these bodies.—A. I was a passenger on board the Mexican steamer called *Navari*, of Santa Rosalia. I had come from the mouth of the Colorado River on the same boat, and we had no drinking water, so we pulled into the Bay of Angel to replenish the stock of drinking water—11 kegs. I took a keg and went up to the spring and filled it. I was the first man back to the boat, so when I got back I began walking around the beach looking for sea shells. I

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smelled an awful strong odor, and about 10 feet from where my keg was I seen a mound of dirt sticking up. I went over there and I seen a human skull in the sand. I dug the skull up and looked at it; it was such a small skull. Then I took part of a turtle shell and dug in the sand and hit against a boot. I reached down with my hand, got hold of the boot, and pulled on it. I pulled him clean out of the sand. About 6 inches of sand was over him. I pulled him out and made an examination of him, and I seen he had on the Army uniform. This man had on high-laced boots, with knee-cord Army pants. I searched him, and in his right-hand pocket he had a pair of gold cuff buttons, with the fancy letter "C" on them, and—I don't know what you call it—a pair of bird wings, with a propeller in the center of them.

Q. Insignia of the Aviation Corps?—A. Something like that. It stood straight up and down, and one little short bar—about that long—silver. That is all this man had on him. I went and got a shovel then from the boat, the crew did, and dug this other man up. I took their clothes off down to the knee and examined them and found black hair on one and sandy hair on the other. The other man had in his watch pocket just one of these propeller wings and a lieutenant's bar. He had on a pair of ox-blood shoes, leather leggins, marked: "Hanan Brothers, New York." I then dug a grave 4 feet deep, but both of them in it side by side and buried them and went on to Santa Rosalia.

Q. This was on what date?—A. September 21.

Q. Who was master of this boat?—A. I have got his name here—Alejandro Abaro, captain of the steamer *Navari.*

Q. What was the size of this boat?—A. She was, oh, I judge about 50 feet long; just a small steamer that plies in the gulf.

Q. How many passengers were aboard of it?—A. Me and this Italian, the only passengers that came down.

Q. Do you know the Italian's name?—A. William Rose.

Q. Do you know where he is now?—A. I suppose in South America; he was headed that way.

Q. Was he present at the findings of these bodies?—A. Yes, sir.

Q. Who was present besides you and the Italian?—A. Eleven Mexicans and the captain, and a Mexican prostitute.

Q. Did you find any evidence there of violence to these men aside from the crushed skulls?—A. One man's head was crushed, and the other man's back was all bloody—his underwear and clothing.

Q. Could you approximate how long these men had been dead?—A. From the waist down the bodies were in perfect condition, but up here was all eat out. There was no meat on the skulls. I judge they had been there about 10 or 15 days.

Q. Had there been an effort made to bury the bodies when you found them?—A. They had been covered over; yes, sir; with about 6 inches of sand.

Q. How far back from the beach were they, or the high water?—A. Just about the high-water mark.

Q. Was there any evidence of a wharf where a boat might have been tied up?—A. No. We just pulled in and dropped anchor.

Q. How far is this spring you went to back from the beach?—A. About a good 200 yards.

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Q. Was there anything to detect it from the bay?—A. Yes, sir; green olive trees, and some other kind of fruit trees.

Q. You caused some snapshots to be made of the location of the spring?—A. Yes, sir. Here is the spring right here. [Exhibit 1.]

Q. What is that X marked there?—A. That is where the inquest was held, in that house. Here is another one [Exhibit 2]; that is the olive trees there. That is where the bodies were found. [Exhibit 3.]

Q. After having buried these bodies you proceeded with the boat to Santa Rosalia?—A. Yes, sir.

Q. When did you arrive there?—A. Arrived there on the morning of the 25th.

Q. Of September?—A. Yes, sir. A storm held us in a little port there for two days.

Q. Did you have any occasion at the port of Santa Rosalia to notify anyone about these bodies?—A. Yes, sir; I went aboard an American steamer called the *Providencia*, of San Francisco, and made a sworn statement, and showed him these things I had taken.

Q. Was that a private-owned boat?—A. Company boat.

Q. Do you know the master of the boat?—A. No; I had his name. The boat, right now, is in dry dock in San Francisco.

Q. You don't know her owners?—A. Yes, sir; I did. I beg your pardon; she was sold the other day to Boleo Co., of Santa Rosalia, a French mining company.

Q. You made this sworn statement to the master of that boat promptly?—A. Yes, sir; as soon as I got there.

Q. Had you had any talk with the master of the little Mexican steamboat?—A. Yes, sir; he told me if I valued my life and liberty I had better never open my mouth of what I had seen.

Q. When did he tell you that?—A. About 30 minutes after we pulled out, aboard the *Navari*.

Q. Was that said in the presence of anyone else?—A. In the presence of this Italian, and Mexican crew; they were all around me.

Q. You are familiar with the Spanish language?—A. Yes, sir.

Q. You speak it fluently?—A. Pretty fluently; yes, sir.

Q. You have had many years experience?—A. Seven years down there.

Q. Now, what did you do after making this affidavit to the master of the *Providencia?*—A. Why, I went ashore then; he was just about ready to leave; the *Providencia* was. He told me he would wire just as quick as he got out of the zone; I don't know what he meant by that. He said: "As quick as I get out of the zone, the three-mile zone, I will wire." So when I went ashore nobody bothered me for an hour, and when the *Providencia* pulled out I was arrested.

Q. What reply did you make to the master of this Mexican boat when he told you not to tell this thing, Mr. Richards, if any?—A. I just told him "All right; I would keep my mouth shut."

Q. Did he know of your visit to the *Providencia?*—A. Yes, sir; he watched it.

Q. How did you make it to that boat?—A. I just boldy walked up to it.

Q. Oh, they were all in the same harbor?—A. He could not help but see me, because his boat was about 50 yards from the *Provi-*

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dencia, and the dock ran right right around in a half circle. He could not help but see me.

Q. You say about 30 minutes after the *Providencia* had cleared you were placed under arrest?—A. Yes, sir.

Q. By whom?—A. By the captain of the port.

Q. You mean an officer of the Government?—A. Officer of the Government; yes, sir.

Q. Do you know his name?—A. No; I do not; he is an old man, about 55 or 60 years old, wears glasses, with long gray whiskers.

Q. Did he place you under arrest in person, or have it done?—A. He had it done by two men in uniform; they had white uniforms on and military caps. I judge they were navy caps, or something.

Q. What statement, if any, was made to you at the time you were apprehended?—A. They took me up to the office and asked me my business aboard the *Providencia*. I told him I went up there to see if I knew any of the crew; he called me a God damn liar! he says, "You went up there to report the finding of the two murdered men." I says, "I don't necessarily know they were murdered." He says, "That is what you told the captain of that boat you went to."

Q. Who told you that?—A. The captain of that port. He says, "You God-damned gringos come down here and start trouble when we don't bother you." I says, "I have not started any trouble at all," he says, "You will wish you hadn't before we get through with you."

Q. What happened then, if anything?—A. He wanted me to sign a document there, I did not know what was on it. This was about an hour later. I did not know what was on it. I refused to sign it. He went outside, then two policemen came and took me to jail.

Q. How long were you in prison?—A. I was in prison from Saturday, about 11 o'clock, until Sunday evening.

Q. Was this on the 25th?—A. Yes, sir.

Q. On the day of your arrival there?—A. The day of my arrival; yes.

Q. What was your treatment while you were prisoner?—A. Mighty rough.

Q. What did they do to you, if anything?—A. Well, they took my clothes all off of me the first thing they done, stripped me naked in a little cement hole about—you could just lay down in it—that was all dirty and filthy—no toilet in there. They took me in there, took my clothes off, and I asked them for a drink of water and the guard, I asked him, he said besame el culo, meaning kiss my ——, and I did not say nothing. So they changed guards. When the new guard came on I asked him could I have a drink of water, he said, "sure," he asked me if I had any money, I said: "They taken $10.50 away from me." He said: "I will get it for you," so I stayed there without any clothes until they let me go.

Q. What formalities did you go through after they let you out?—A. They brought this paper there and I just signed it.

Q. Did you know what the paper contained?—A. No, sir; I don't until this date. They took me up on the hill to the juzgado menor—that is, the lower court.

Q. And the military authorities took you in charge?—A. They took me in charge; they treated me a little better.

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Q. What did they do with you then?—A. Well, they took me up there—this was about 4 o'clock in the evening. They gave my clothes back and took me up there, and the secretary of the town, they call him; he is a half Mexican and half Frenchman. He told me I was charged with robbery. I asked him who in hell I had robbed, and he said: "You robbed dead bodies." I says, "All right." Then he put up the argument to me: "Why didn't you come to the Mexican authorities when you landed here with this story and these articles instead of going to an American captain on that boat?" He says, "You are in Mexico now, not in America." I told him I did not know any different; I was ignorant of the law. He says, "Well," he says, "We have got a charge of robbery against you and the charge of molesting corpses before inquest was held." I told him I was ignorant of both laws; I had not robbed anything. I got kind of bewildered in talking Spanish; I got all mixed up; I did not know anything about them big words, so the judge, Juez de Primera Instancia—he is the mayor of the town—I went and got him; he talked English good, just as good as I do; he is a Mexican. He says: "I can not act officially; I can act as interpreter for you," is what he told me, "but," he says, "I will give you a little help." So he came in there; he says, "You ask whatever you want to and I will interpret it for you, so then I just put the case up to this district attorney," I says: "Suppose I was to come along and find your brother and father murdered in the sand, and I was to dig them up and try to find out who they were and bury them a little deeper, so the coyotes would not eat them up, would you call that an inhuman act or a human act?" I says, "I done this just through an act of humanity," and so they got to studying it over a little bit, and the captain of the port came up again while I was arguing my case; he says, "Throw the gringo bastard in jail; don't let him go," he says, "He done reported to the United States now, so you might as well hold him."

So they got to figuring how many days the *Providencia* had been out of Santa Rosalia. She had been gone then a day and a half. I says: "All right, you call me a gringo if you want to; I never said I am a gringo; I am a German, born in Berlin; I am not a gringo." This captain of the port asked me: "Can you talk German?" I say: "Just as good as I talk English." He says: "I will damn soon find out whether you can or not"; so he never got anybody up there to talk German to me; if he had of, I don't know—well, there was nobody came up. They asked me two or three times where I was going; I told them South America. They went and got this Italian then and asked him if I was going with him to South America. He says: "Yes; I am paying his way." He never came to me all the time I was in trouble until they sent for him. So he told them I was going to South America, and they let me go.

Q. Do you remember the date you were discharged?—A. Sunday evening.

Q. Then where did you proceed to?—A. To Guaymas.

Q. Aboard what?—A. Aboard the *Prickison*, sister ship of the *Providencia*.

Q. Was it owned by the same people who owned the other boat?—A. Yes, sir.

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Q. When did you land in Guyamas?—A. The next morning.

Q. Did you land in Empalme or Guaymas?—A. Guaymas.

Q. What did you do then, if anything, in regard to this information you had?—A. I never said a word; I kept it to myself; and I went up to the—I had no money—I went up to the general manager of the Southern Pacific de Mexico Railroad and told him I had worked down there, was stranded, and would like to get transportation to the United States. He gave it to me.

Q. Where did you come out of Mexico?—A. Nogales.

Q. On what date?—A. On the 28th.

Q. 28th of September?—A. Yes, sir.

Q. What, if anything, did you do then toward reporting this information?—A. I went right to the intelligence department. They got me, I did not get them. They were waiting for me to come out, the consul at Guaymas had wired them I was coming.

Q. The American consul?—A. Yes, sir; Mr. Yost.

Q. Had the *Providencia* made a report of your story?—A. Yes, sir.

Q. How long did you stay in Nogales?—A. I was in Nogales from the 28th to the date of that telegram there. I don't quite remember the date when that telegram came.

Q. This is apparently a copy of a telegram from Harris, adjutant general, addressed to you at Nogales, dated 11th of October, 1919.—A. The 12th of October I left Nogales for San Diego.

Q. To whom did you report?—A. To Maj. R. S. Bratton.

Q. You went where?—A. To Los Angeles, and from Los Angeles to San Diego.

Q. Then what did you do?—A. They kept me in San Diego, I think it was, four days, four or five days, then I went aboard the United States destroyer *Aaron Ward 132*, and started for Mexico.

Q. Is this a picture of the destroyer [Exhibit 4]?—A. Yes, sir.

Q. Did Maj. Bratton accompany the expedition?—A. Yes, sir; he was in charge of it.

Q. When did you put into the Port of Angel?—A. On the 19th of October, about 5 o'clock, we put in.

Q. Did you have any trouble locating the bodies?—A. No; about five minutes.

Q. You went with the crew?—A. We went in in a power boat; left the battleship out so in case there were any Mexicans there they could catch them, and the boat came in afterwards.

Q. What did you do then?—A. Took shovels—we had shovels—I took a shovel and dug around the bodies, then we put a guard up that night, then the next morning we went in and dug them up and put them in caskets.

Q. Took them aboard the boat?—A. They examined them first, the Mexican authorities.

Q. Where did you pick up the Mexican authorities?—A. At Ensenada.

Q. Did they accompany the expedition from Ensenada, then?—A. All the way up and back; yes, sir.

Q. When you got the bodies aboard the boat where did you go?—A. We went 20 miles up the coast to where the aeroplane was.

Q. Did you know anything about the aeroplane?—A. Only from overhearing a conversation.

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Q. Whereabouts?—A. From the crew on the first ship down; I had overheard them make the remark that the aeroplane was worth salvaging.

Q. Worth salvaging?—A. Yes, sir; they could sell the engine of it.

Q. Do you remember whether they were members of the crew or officers of the steamboat?—A. The whole works, the whole business. Now, there is another incident there I would like to mention before we leave. Up by Angel, going down on the first boat, they pulled around a bend there to what is known as the old mine, American-owned mine, by Mr. Thompson, of Nogales, to-day owns it. He had a coal pile there and a Ford truck, auto truck. The crew of the *Navari* stole the engine out of the Ford truck.

Q. On the trip you were with them?—A. On the trip I was with them, and stole 17 sacks of coal, but I did not know then it was an American-owned mine until I got back. I was telling some people in Nogales about it, and Mr. Thompson came up and told me it was his property.

Q. When did you overhear this conversation about the aeroplane being worth salvaging before you discovered the bodies or afterwards?—A. Afterwards.

Q. Had you heard anything about the aeroplane before you found the bodies?—A. No, sir; but from the action of the crew and the action of the men they knew it was there.

Q. And it was through this conversation that you knew where the wreck of the aeroplane was?—A. Yes, sir.

Q. Did you have any trouble discovering the aeroplane?—A. No, sir; we seen it right on the boat.

Q. That was the first time you had seen it?—A. Yes, sir.

Q. Was there one or two machines?—A. One.

Q. Do you remember its number?—A. No, sir; come to thing of it, I never seen any number.

Q. Was it intact?—A. Yes, sir; the picture is there.

Q. Had it been damaged in any way?—A. Only some minor parts taken.

Q. Is that a picture of the aeroplane? [Exhibit 5.]—A. Yes, sir.

Q. Did it have the insignia of the United States painted on it?—A. Yes, sir.

Q. Bull's-eye?—A. Yes, sir; painted underneath the wings.

Q. What did you do with the aeroplane?—A. They dismantled it, took the engine and all parts worth salvaging aboard, and burned the frame, and put a small monument up there.

Q. What is this a picture of? [Exhibit 6.]—A. That is the engine being taken aboard.

Q. After salvaging the machinery, where did you proceed to then?—A. We went back to Santa Rosalia.

Q. What was done there, if anything?—A. I don't know; I did not go ashore.

Q. Did the officers of this destroyer go ashore?—A. Yes, sir.

Q. You don't know of your own knowledge what was done?—A. Only what Maj. Bratton told me, that they had demanded those papers they got me to sign, and my personal effects.

Q. Did he get them?—A. He got the paper, but nothing that belonged to me.

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Q. Do you know where the paper is now?—A. No, sir.

Q. Did you ever have the paper translated to you?—A. No, sir.

Q. You don't know what its contents were?—A. No, sir.

Q. When did the boat get back to the United States?—A. I think it was on the 21st of October that the boat, at 1 o'clock landed at San Diego.

Q. Were you present during the identification of these bodies?—A. Yes, sir; I helped to dig them up personally myself; nobody would touch them.

Q. I mean after you got back to the United States?—A. No, sir; they were never opened. The caskets were sealed. They were too far gone.

Q. They were in a bad state of decomposition?—A. Yes, sir.

Q. What did you do with the insignias you say you took off the bodies—the wings and the propeller?—A. The Mexicans took them away from me.

Q. Were they ever recovered by Maj. Bratton?—A. No; but they were seen by two American captains I made this statement to.

Q. And they were kept at Santa Rosalia?—A. Yes, sir.

Q. This telegram referred to in your evidence, was that the authority from this Government to proceed with Maj. Bratton?—A. Yes, sir.

The following is a true copy of the telegram referred to:

WASHINGTON, *October 11, 1919.*

Mr. JOE ALLEN RICHARDS,
Care of Commanding Officer, Nogales, Ariz.:

Confidential: Secretary of War requests that you report to Maj. R. S. Bratton, Twenty-fifth Infantry, at Rockwell Field, San Diego, Calif., by the 14th instant to accompany expedition to recover bodies concerning which you reported to State Department. Maj. Bratton will explain plan. Please telegraph him when you will arrive.

HARRIS.

A true copy:

FRED L. WALKER [SEAL],
Lieutenant Colonel, Twenty-fifth Infantry, United States Army.

Q. Is this also your authority?—A. That is my authority for transportation and subsistence.

The following is a true copy:

HEADQUARTERS NOGALES SUBDISTRICT, ARIZONA DISTRICT.

SPECIAL ORDERS, No. 135.

NOGALES, *ARIZ., October 12, 1919.*

1. Pursuant to authority contained in telegram from The Adjutant General of the Army, Washington, D. C., dated October 11, 1919, Mr. Joe Allen Richards, civilian employee, will proceed from Nogales, Ariz., to Rockwell Field, San Diego, Calif., reporting upon arrival to Maj. R. S. Bratton, Twenty-fifth Infantry, United States Army, that station, not later than Oltober 14, 1919, to accompany expedition to recover bodies of two lost aviators from Lower California, Mexico.

The Quartermaster Corps will furnish the necessary transportation, and in lieu of subsistence Mr. Richards will be allowed a flat per diem in accordance with the provisions of existing Army Regulations for the actual time required for the journey according to the schedules of the common carrier.

The journey is necessary for the public service.

By order of Col. Carnahan.

FRED L. WALKER [SEAL],
Lieutenant Colonel, Twenty-fifth Infantry, United States Army,
Adjutant.

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Q. Do you think of anything else, Mr. Richards, you would like to add to your statement?—A. Only I absolutely know that they are antigringo down in that country; they have no use for an American in the port of Santa Rosalia.

Q. How big a port is Santa Rosalia?—A. It is a pretty good-sized port, mining industries there. I can not state what the population is, as I was never around enough to know.

Q. Has a report of this expedition been made by you to the War Department or anyone else, officially, I mean?—A. Oh, yes; it has been made officially.

Q. Did you make a statement to any one about it?—A. No; but Maj. Bratton did.

Q. Had you heard of the loss of this aeroplane when you took passage on this boat?—A. I had read of it in the paper. I had read where a searching party was going down in that country and try and locate them, afoot and with aeroplanes.

Q. You said you told the master of the port that you were a German subject?—A. Yes, sir.

Q. Where were you born?—A. I was born in Chicago, Ill.

Q. An American citizen?—A. Absolutely. But there were 12 German boats interned there at Santa Rosalia, and the Germans are pretty strong in Mexico down there. A German is treated like a prince. They have got the freedom of the city, and have had it for five years.

Q. Was there any message or notes left by these aviators?—A. Yes, sir.

Q. In what manner did you find them?—A. They were scratched on the side of the aeroplane with a nail. I remember what they were. Mr. Claypool has the copies I had; I let him use them the other night.

Q. What were these?—A. They were two messages to the boys' mothers; I know them by heart; I have read them so much, and the other message gave a description of how they were lost, and how they flew.

Q. You say Mr. Claypool has them?—A. Yes, sir; but I can recite them for you, word for word.

Q. All right; state what they were?—A. The letter of Cecil Connelly to his mother stated:

Finder please copy and send to Mrs. N. T. Connelly, 4733 Edgemore Road, San Diego.

DEAREST MOTHER: My time to die is here. God knows it will be welcome enough after our suffering so of hunger and thirst. Try to forget my fate. What I had is yours. Use it for your own comfort and happiness. I tried to live a good life, and I do not fear death. I have slighted you in many ways. I am sorry for it now, but can't make it right this date. Please do not wear mourning for me. Love to you, Dad, Nora, Hazel, and Ethel. God bless you all.

CECIL.

Waterhouse's letter was:

Finder copy and send to Mrs. G. M. Waterhouse, A 0 7 W. Main St., Weiser, Idaho.

DEAREST MOTHER: We have been here now 10 days. No signs of any help, and our water nearly gone, so I thought I would write a short letter to you, while I had the strength. I don't want you to grieve for me. I want you to have everything, which is not much. All my love to you and Sis and Dad.

Loving son,

F. B. WATERHOUSE.

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Now, a description of where they fell; it said:

Flew 4 hours and 5 minutes. Hit rainstorm and got lost. Hit coast in 1 hour and 30 minutes. Turned to our right and flew for 2 hours and 35 minutes. Didn't see any signs of civilization all the way. Saw boat here. Circled it and landed, but it went on. I guess they did not see us. We have no food. Drinking water from the radiator. Tried to catch fish, but after two days gave it up We have been here five days now, and are pretty weak. We will put marks on left of this sign, for days here. We started walking up the beach for a day and a half. Ran out of water and turned back. Marks for days /////—/////—/////—//.

FRED WATERHOUSE.

There were 17 marks, scratched with a nail.

Q. Did where these bodies were found originally show they had been covered by human agency?—A. Yes, sir.

Q. They had not been covered up by the wind?—A. No, sir; they were strung across each other, in a grave. One man's head facing one way, and the other man's feet the other way.

Q. Was there any mark, cross of any kind, over the grave?—A. Nothing. The coyotes had dug up these skulls. Both heads were loose from the bodies.

Q. Was there anything there that might have been used by the person or persons who buried them to cover their bodies, like a shovel or spade?—A. No; there were lots of turtle shells there, that is about all. There was a bar of iron, about that long, in the grave where they were at.

Q. About how long was that?—A. About 2 feet, and about that thick.

Q. About an inch and a half in diameter?—A. Yes, sir.

Q. Were there any marks on it?—A. No; it looked rusty like.

Q. Was there any money or thing of value on the person of these men, except what you have described?—A. No, sir; none at all. Now, on our way back, coming to the United States with this battleship—previous to that, an American officer went up in the hills and brought a Mexican down out of the hills, watching these mines, and he made a sworn statement, and told them that the Mexican steamer—the Mexican steamer *Esperanza*; it was no steamer, but a fishing scoop, whatever you call them—had picked up these two aviators at Guadalupe Mesa, and had brought them over there for water—brought them to this Port of Angel for water, 20 miles—and he claims that these Mexicans had American money. Where they got it I don't know, but on our way back, anyway, we ran this boat down in the Gulf.

Q. The *Esperanza*?—A. Yes, sir; and tied them right alongside of us. The Mexican judge, and Maj Bratton, and a few more men went aboard. It was right down below me, and I stood there and heard everything that was said; and this Mexican judge had their deposition taken and let them go. We found the altitude clock, the compass, and chairs of the aeroplane aboard this boat.

Q. The *Esperanza*?—A. Yes, sir, and these Mexicans were shivering to beat the band. They were scared, the sailors were. They were pretty nearly scared to death, but the captain of this *Esperanza* told the judge, this Mexican judge, that another Mexican had given him this stuff to keep for him.

Q. Was that the *Esperanza* that the Mexican caretaker of the mine had described?—A. Yes, sir.

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Q. Did he give you the name of the boat?—A. Yes, sir.

Q. Did the Mexican caretaker purport to know anything about how these men met their death?—A. No, sir; he said he did not know anything about it; he was just an innocent onlooker of what happened. He claimed they were murdered; he said he was an innocent bystander, though; he would not say any more.

Q. How many men constituted the crew of the *Esperanza*?—A. There were three on it when we ran it down.

Q. Where was the *Esperanza* from?—A. Santa Rosalia.

Q. Did Maj. Bratton take the altitude clock, the seats, and the compass?—A. Yes, sir.

Q. Do you know whether Maj. Bratton got copies of the depositions.—A. I don't think he did.

Q. So far as you know has the crew of the *Esperanza* ever been apprehended?—A. No, sir; not so far as I know.

Q. The location of these graves, or this grave, is in what State or Territory of the Republic of Mexico.—A. It is in the upper end of Lower California, in the Cantu district.

Q. You mean that portion of Lower California controlled by Gov. Cantu?—A. Yes, sir.

Q. Of your knowledge has any representations ever been made to Gov. Cantu?—A. None that I know of.

Q. Now, have you related all the facts of this expedition?—A. Yes, sir; all that I think of.

Q. What is your permanent address?—A. Where will I be?

Q. Yes?—A. Chicago, after I get well. I am here right now sick for about 10 days. When I get cured up I am going home. I am living at the Sheldon Hotel here.

Q. I mean in Chicago?—A. No. 2951 Calumet Avenue, but you can get me more direct—they always know in case I am working—Switchmen's Union No. 2, Kansas City.

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INVESTIGATION OF MEXICAN AFFAIRS

HEARING

BEFORE A

SUBCOMMITTEE OF THE COMMITTEE ON FOREIGN RELATIONS UNITED STATES SENATE

SIXTY-SIXTH CONGRESS.

SECOND SESSION

PURSUANT TO

S. Res. 106

DIRECTING THE COMMITTEE ON FOREIGN RELATIONS TO INVESTIGATE THE MATTER OF OUTRAGES ON CITIZENS OF THE UNITED STATES IN MEXICO

PART 8

Printed for the use of the Committee on Foreign Relations

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1920

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INVESTIGATION OF MEXICAN AFFAIRS.

WEDNESDAY, JANUARY 14, 1920.

UNITED STATES SENATE,
SUBCOMMITTEE OF COMMITTEE ON FOREIGN RELATIONS,
San Antonio, Tex.

The subcommittee met pursuant to the call of the chairman at 10.30 a. m. in the Pink Room of the Gunter Hotel, in San Antonio, Tex., Senator Albert B. Fall presiding.

Present: Senators Fall (chairman) and Smith.

TESTIMONY OF GEORGE E. BLALOCK.

(Witness was duly sworn by the chairman.)

The CHAIRMAN. Where do you live, Mr. Blalock?

Mr. BLALOCK. I live in San Antonio, 1101 East Commerce Street, San Antonio.

The CHAIRMAN. How long have you lived here.

Mr. BLALOCK. Since about two years.

The CHAIRMAN. Are you an American citizen native born?

Mr. BLALOCK. Yes, sir.

The CHAIRMAN. You say you have been here about two years?

Mr. BLALOCK. Yes, sir; a little more than two years, two years last November.

The CHAIRMAN. Where were you born?

Mr. BLALOCK. At Barnsville, Ga.

The CHAIRMAN. Where did you live before coming here?

Mr. BLALOCK. I lived in Mexico.

The CHAIRMAN. Where did you go from to Mexico?

Mr. BLALOCK. Mangum, Okla.

The CHAIRMAN. In what year?

Mr. BLALOCK. I left there myself in 1902.

The CHAIRMAN. And went to Mexico?

Mr. BLALOCK. Yes, sir.

The CHAIRMAN. What was your business in Mexico?

Mr. BLALOCK. To look at and buy a location for a colony.

The CHAIRMAN. How did you go into Mexico?

Mr. BLALOCK. I went by way of El Paso; I entered Mexico at El Paso, Tex.

The CHAIRMAN. Did you have any definite purpose at that time in going to Mexico?

Mr. BLALOCK. Yes, sir.

The CHAIRMAN. What was that purpose?

Mr. BLALOCK. It was to look up and buy a ranch, a location for a colony.

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The CHAIRMAN. For a colony?

Mr. BLALOCK. Yes, sir.

The CHAIRMAN. How many people were presumed to constitute that colony?

Mr. BLALOCK. Fifty-five families.

The CHAIRMAN. Fifty-five families?

Mr. BLALOCK. Yes, sir.

The CHAIRMAN. Did you have negotiations with or introductions to any of the Mexican authorities before entering Mexico?

Mr. BLALOCK. At El Paso I met the consul, the Mexican consul.

The CHAIRMAN. What was his name, if you remember?

Mr. BLALOCK. I do not remember.

The CHAIRMAN. Was it Mallen at that time?

Mr. BLALOCK. I don't believe I could recall the name. I don't think so.

The CHAIRMAN. 1902?

Mr. BLALOCK. Sir?

The CHAIRMAN. 1902?

Mr. BLALOCK. Yes, sir; it was 1902.

The CHAIRMAN. How did you happen to meet him?

Mr. BLALOCK. Mr. Garrett—Pat Garrett carried me to him.

The CHAIRMAN. Patrick F. Garrett?

Mr. BLALOCK. Yes, sir.

The CHAIRMAN. At that time sheriff of Dona Ana County, N. Mex.?

Mr. BLALOCK. No, sir; I think he was collector of customs at that time.

The CHAIRMAN. I mean shortly prior to that time he had been sheriff?

Mr. BLALOCK. Yes, sir; I think so.

The CHAIRMAN. He introduced you to the consul?

Mr. BLALOCK. Yes, sir.

The CHAIRMAN. Well, where did you go then?

Mr. BLALOCK. Well, I went to a great many different States in Mexico; I traveled over—I put in eight months traveling, looking around.

The CHAIRMAN. Did you finally locate?

Mr. BLALOCK. Yes, sir; I located 80 miles northwest of Tampico, in the State of Tamaulipas.

The CHAIRMAN. Mexico?

Mr. BLALOCK. Yes, sir.

The CHAIRMAN. And that was in 1902 or 1903?

Mr. BLALOCK. I bought the property in 1902.

The CHAIRMAN. Did you have any difficulty or any trouble in your investigations in Mexico?

Mr. BLALOCK. Yes, sir; I frequently ran up against things that were, of course, unusual; I was arrested several times, but I had a letter from this consul at El Paso, that on showing that letter I was always immediately released and apologized to.

The CHAIRMAN. Were you—you say you were arrested. Were you simply held up?

Mr. BLALOCK. Just held up.

The CHAIRMAN. Or were you put in jail?

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Mr. BLALOCK. For instance, once I was held up for passing through a town without calling on the mayor, or jefe.

The CHAIRMAN. Yes. You finally located in the State of Tamaulipas?

Mr. BLALOCK. Yes, sir.

The CHAIRMAN. Did you acquire any land holdings there for yourself or for the colony?

Mr. BLALOCK. Yes, sir. We bought a ranch known as the Chemal Ranch, a body of land that is about 13 miles wide and 45 miles long.

The CHAIRMAN. Did you buy that from——

Mr. BLALOCK. 314,000 acres.

The CHAIRMAN. Whom did you buy it from?

Mr. BLALOCK. From the bank. What is the Bank of Agriculture—Hipotecario.

The CHAIRMAN. The Bank of Hipotecario?

Mr. BLALOCK. In Mexico City.

The CHAIRMAN. That is land mortgage bank. Well, what did you do with it, toward developing it, if anything?

Mr. BLALOCK. Why, in 1903—the 1st of March, 1903, I got there with my colony of 55 families, the first 55. However, the colony had increased to something near 100, and I got concessions and carried in every—almost everything that was absolutely necessary, free of duty.

The CHAIRMAN. Yes?

Mr. BLALOCK. And I had to guarantee the location of 100 families within two years, which we did, and got—we put up a forfeit to guarantee that, and we showed the 100 families and got our forfeit then——

The CHAIRMAN. What was the amount of the forfeit?

Mr. BLALOCK. Fifteen hundred dollars.

The CHAIRMAN. In what form was it put up?

Mr. BLALOCK. Cash.

The CHAIRMAN. To whom was it put up?

Mr. BLALOCK. Well——

The CHAIRMAN. To the Mexican authorities?

Mr. BLALOCK. Yes, sir; on the other side—yes, sir—to the Mexican authorities; but I don't just remember the——

The CHAIRMAN. But you had to make a deposit to show your good faith and to secure the Mexican Government in the performance of your contract as to colonization before you could get exemption of duties?

Mr. BLALOCK. Yes, sir.

The CHAIRMAN. Upon the products which you carried?

Mr. BLALOCK. Yes, sir.

The CHAIRMAN. That was the ordinary Mexican custom at that time?

Mr. BLALOCK. Yes, sir.

The CHAIRMAN. And you were accompanied by 100 families there?

Mr. BLALOCK. We had 55 with the first division.

The CHAIRMAN. Yes; have you the names of those families?

Mr. BLALOCK. No, sir.

The CHAIRMAN. Or any of them?

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Mr. BLALOCK. Why, at the time that the—of the first 55 I knew every man personally; of course, I could by just thinking a while—I could name almost every one of them now.

The CHAIRMAN. Well, could you prepare for us——

Mr. BLALOCK. But my memory is very poor.

The CHAIRMAN. Could you prepare for us a list as far as you can recall them?

Mr. BLALOCK. Yes, sir; with some time—you would have to give me some time, though.

The CHAIRMAN. Yes.

Mr. BLALOCK. I might do better by conferring with my family, my wife; she would remember those names quicker than I would; my memory is very faulty.

The CHAIRMAN. If you will be kind enough, we would be glad to have you prepare a list as completely as possible and file it with the secretary here and the reporters.

Mr. BLALOCK. Yes, sir; I will do so.

The CHAIRMAN. How did you proceed to work or to develop the properties; that is, how did you divide up the lands, etc.?

Mr. BLALOCK. We were all from Oklahoma and had undergone the Oklahoma rule of division, and so on; we surveyed one valley, we had one valley that was 8 miles wide and 24 miles long, and we surveyed that off into sections and quarter sections.

The CHAIRMAN. Following the United States land laws in the division?

Mr. BLALOCK. Yes, sir.

The CHAIRMAN. 160 up to 640 acres?

Mr. BLALOCK. Yes, sir. We then drew for that land.

The CHAIRMAN. For choice?

Mr. BLALOCK. We drew according to stock. Our stockholders ran from $500 to $2,000, and of course the man with $2,000 got four times as much as the man with $500, and drew for it, you know.

The CHAIRMAN. He got four times as much of this land; you say?

Mr. BLALOCK. Yes, sir; of this division and all the entire ranch.

The CHAIRMAN. The interests, then, of the colonists, their several interests, were measured by their stock interest in the company?

Mr. BLALOCK. Yes, sir. And I also want to add right now that we set aside part of that land, the surveyed land, for a school, which we still——

The CHAIRMAN. How much was that?

Mr. BLALOCK. I couldn't tell you right now, I have forgotten; but we built a read good two-story schoolhouse, a stone building, and furnished it with furniture bought in San Antonio, we had everything almost that you could find in any school here in San Antonio in that house when we left there.

The CHAIRMAN. How did you go into Mexico with your colony?

Mr. BLALOCK. Came through San Antonio, stopped here a day and night, exchanged our money right here in San Antonio. I remember very well we got $2.66 for each dollar of American money.

The CHAIRMAN. Well, you say you built a schoolhouse?

Mr. BLALOCK. Yes, sir.

The CHAIRMAN. Did the colonists build residences?

Mr. BLALOCK. Yes, sir.

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The CHAIRMAN. Each family for themselves?

Mr. BLALOCK. Yes, sir; that was the rule with each—that a man, when he bought a piece of land there, if he was one of the original colony, he was to get into his own house as soon as possible. However, when we went there this ranch was very well improved; there were a great many houses; there were 325 Mexican families on the ranch, and there were 13—no, 16—different ranches on the place, and in drawing for this land the Americans were scattered completely over this valley, and many of them drew good farms and houses with them.

The CHAIRMAN. There was room enough or housing enough for all the colony until they could build good houses?

Mr. BLALOCK. Until they could build; yes, sir.

The CHAIRMAN. I see. What became of the Mexican families who were on the ranch?

Mr. BLALOCK. They remained—part of them remained right there.

The CHAIRMAN. In what capacity did they remain?

Mr. BLALOCK. Well, as laborers, tenants and laborers.

The CHAIRMAN. What were those Mexicans getting—receiving for their work or labor—when you went there?

Mr. BLALOCK. Twenty-five centavos per day.

The CHAIRMAN. What did you pay them—your colonists?

Mr. BLALOCK. Why, soon after our arrival we held a meeting—colony meeting—and took that matter up and decided to pay them fifty—double their wages—and they have never gotten less.

The CHAIRMAN. What was the extent of your colony later; did it increase or decrease?

Mr. BLALOCK. Yes, sir; it increased. We had—when the Madero revolution was a year old—we had 92 families in the colony. When the general exodus took place we had 110 children in school and—I don't remember the number of families then; however, when the Madero revolution started, why, our people, some of them began to get cold-footed, you know, and began to leave, and it had come down to, I think, probably 60 families when the general exodus took place.

The CHAIRMAN. What do you mean by "the general exodus"?

Mr. BLALOCK. Well, after Carranza, some time after he had been recognized by the United States, we were notified by our consul at Tampico, Mr. Miller—Clarence Miller—to come into Tampico at once, and the people were very much excited and immediately went to Tampico. We called that a general exodus; every man, every woman and child left the ranch. I think 11 men stayed with me, and we stayed there; did not leave.

The CHAIRMAN. The other families, and particularly the women and children, went into Tampico?

Mr. BLALOCK. Yes, sir; all went to Tampico—and a great many of the men.

The CHAIRMAN. About what was the date of that; do you remember—1912 or 1914?

Mr. BLALOCK. 1914.

The CHAIRMAN. 1914?

Mr. BLALOCK. The 5th of September.

The CHAIRMAN. Yes; that was about the time that the United States forces took Vera Cruz?

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Mr. BLALOCK. Yes, sir; I think that was.

The CHAIRMAN. And you came out under instructions from the American consul?

Mr. BLALOCK. Yes, sir.

The CHAIRMAN. How long did the 11 men remain there with you?

Mr. BLALOCK. Part of them are still there.

The CHAIRMAN. Some of them are still there?

Mr. BLALOCK. Yes, sir.

Senator SMITH. Are they living or dead?

The CHAIRMAN. Senator Smith asks you if they are living or dead.

Mr. BLALOCK. Oh, they are alive.

The CHAIRMAN. What were your instructions by or through the American consul with respect to resisting any attack, if any was made upon you?

Mr. BLALOCK. When they first began to raid us I went to Tampico to see Mr. Miller, and we had been having to give up our good work stock and saddle horses and anything else——

The CHAIRMAN. Give up to whom?

Mr. BLALOCK. To the Carrancistas—we called them Carrancistas—the soldiery of the recognized Government at the time. We have never had, I will say, Senator, we have never had but very little trouble from bandits at our ranch—very little.

The CHAIRMAN. Well, whom do you call "bandits"?

Mr. BLALOCK. Well, those people who are opposing Carranza.

The CHAIRMAN. Yes.

Mr. BLALOCK. I went to Mr. Miller and asked him if we wouldn't be allowed to protect ourselves and not let those people take our stuff. He said, "No, Blalock; I am very sorry to tell you that I am instructed that you people—to advise you people that this country is under martial law, and that you must not resist the recognized Government. If they come and want your stuff, you just have to give it up." And we acted on that.

The CHAIRMAN. Now, you say you went to Mr. Miller?

Mr. BLALOCK. Yes, sir.

The CHAIRMAN. How did you happen to go to Mr. Miller?

Mr. BLALOCK. Well, for a number of years I was president of the colony—I was elected president of the colony when we organized it—and I kind of took the lead.

The CHAIRMAN. Naturally you would.

Mr. BLALOCK. Yes, sir.

The CHAIRMAN. You went there as a representative for the colony?

Mr. BLALOCK. Yes, sir.

The CHAIRMAN. As well as the representative of yourself?

Mr. BLALOCK. Yes, sir.

The CHAIRMAN. What has become of the ranch?

Mr. BLALOCK. Well, the land is still there.

The CHAIRMAN. That is good.

Mr. BLALOCK. Yes, sir; I am certain of it. I have a letter from there every week, Senator, and our farmers—we had large farms—some of our people had 150 acres in cultivation; and if any of you men have been in Mexico you know what it takes to make a farm of 150 acres—to hew it out of those jungles.

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The CHAIRMAN. Well, now, just describe some of the work that you did that was required to make that farm.

Mr. BLALOCK. Well, it cost me—I put in 75 acres—it cost me between five and six dollars gold to clear that land.

The CHAIRMAN. What is the growth on them——

Mr. BLALOCK. And I paid 50 cents a day or 25 cents a day for the labor.

The CHAIRMAN. Twenty-five cents gold, 50 cents Mexican money?

Mr. BLALOCK. Yes, sir.

The CHAIRMAN. And that was double the wages that the Mexicans had been getting prior to that?

Mr. BLALOCK. Yes, sir. And I want to say to you right here now, Senator, that our neighbors they were very much angry at us for raising the price of labor.

The CHAIRMAN. Now, what neighbors?

Mr. BLALOCK. The Mexicans; the people, you know, that owned these ranches surrounding us.

The CHAIRMAN. Yes.

Mr. BLALOCK. And they frequently came and tried to get me to put the wages back and said it would not do, and the people would not be friendly to us, and so on, you know.

The CHAIRMAN. Well, now, after this general exodus that you speak of did any of the colonists or their families return?

Mr. BLALOCK. Yes, sir; they gradually began to drop back there, one or two or three at a time, families, you know, getting back there and occupying their homes, until we had 34 families when the second exodus took place.

The CHAIRMAN. About when was that—how long after the first?

Mr. BLALOCK. I think it was in 1918—no; in 1916.

The CHAIRMAN. Why did you get out at that time?

Mr. BLALOCK. Why, an officer, a Carranza officer by the name of Morelos, and Rodrigues Flores came there with about 150 men and notified us that they had instructions to kill all the men and take our property because we had not gotten out.

The CHAIRMAN. Well, who was this officer; was he an officer?

Mr. BLALOCK. Yes, sir; he was an officer; he was in charge of the men; and then we knew him—knew of him—he was a major.

The CHAIRMAN. A major?

Mr. BLALOCK. Maj. Rodrigues Flores.

The CHAIRMAN. Do you know under whose Government, or supposed Government, he was?

Mr. BLALOCK. Nafarrate.

The CHAIRMAN. Nafarrate?

Mr. BLALOCK. Yes, sir; so he told us.

The CHAIRMAN. Nafarrate was general in command of the——

Mr. BLALOCK. At Tampico.

The CHAIRMAN. At Tampico? Well, now, whom did Nafarrate represent; do you know?

Mr. BLALOCK. Carranza.

The CHAIRMAN. Carranza?

Mr. BLALOCK. Yes, sir.

The CHAIRMAN. And this major came there with 100 or 150 men and told you to get out?

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Mr. BLALOCK. Yes, sir; he didn't tell us to get out; he said he came to kill us. Now, I wish to describe the day and the way that he got there with his men.

The CHAIRMAN. Just go right ahead, in your own language.

Mr. BLALOCK. Well, it was on Sunday--and we have our little town there, post office and the telegraph office, and so on——

The CHAIRMAN. Did you have a church?

Mr. BLALOCK. Yes, sir; we had a church. And the people from the little ranches around, nearly everybody, went to town. I didn't; I happened not to go in. And the first thing they knew the town was surrounded, and they caught everybody—caught all the visitors and the people that lived in the town besides; they put the men all under guard, and immediately the soldiers began sacking the houses—and cloth is pretty scarce in Mexico, and they would take bedticks, beds, feather beds, and empty the feathers out in the street and in the yards, and just take the ticking for the cloth; and mattresses and pillows, and everything of the kind; they took all of our blankets and nearly everything that there was that was loose, and gathers all that up—the soldiery did—while the men were under guard. They finally took 21 of our men up, as they told them, to be shot; and when they were first stood up, they sent a man—after they were stood up to be shot, they sent—this Morelos was in charge at the time, there present—and he had a man go through those men, go around and take everything they had—their knives, tobacco, money, watches, and everything else they might have; then a man came rushing up with a large official envelope in his hand and handed it to the commanding officer; he asked them if we had anyone who could read Spanish; we did have several that could, you know, and we sent a man up and he read it, and he said that there was instructions from Nafarrate not to kill the men, but that they must leave. Well, they left about 8 o'clock in the morning, and by 9 o'clock our people commenced to flee to the mountains—we have a mountain district that is almost inaccessible, and all the women and children went there immediately—up into the mountain and stayed there for two months.

The CHAIRMAN. Did you have arms?

Mr. BLALOCK. Oh, yes; we had arms; yes, sir.

The CHAIRMAN. What were you going to do with them?

Mr. BLALOCK. Well, I guess that we would have protected our homes; that is, we would have protected our women and children; yes, sir.

The CHAIRMAN. You deserted your homes?

Mr. BLALOCK. Oh, yes; we deserted our homes, and sent our women and children up into the mountains, and nearly all the men went—just a few men remained down in the valley, myself, and a few others, as a kind of guard defense, and we would send grub up to them, provisions and other things up into the mountains to them, you know, and they would come down for those things, too.

The CHAIRMAN. Well, what became of the property left behind?

Mr. BLALOCK. Well, the household goods and such things were just taken.

The CHAIRMAN. What about your stock, live stock and all, if any?

Mr. BLALOCK. Why, one bunch took 175 head of our best horses and mules.

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The CHAIRMAN. How far were you from the railroad?

Mr. BLALOCK. Forty miles.

The CHAIRMAN. Forty miles.

Mr. BLALOCK. Yes, sir; and I would like to tell you now how they got a good many of those mules and horses.

The CHAIRMAN. All right, go right ahead.

Mr. BLALOCK. It was out in the country, they would hold a man—somebody told on us, of course, they knew just how many mules and how many horses and other stuff we all had—that the Americans had—and they would hold a man and send out to his ranch for five mules or four mules.

The CHAIRMAN. How do you mean hold him, hold him under guard?

Mr. BLALOCK. Yes, sir; he was under guard, he was of that 21 bunch.

The CHAIRMAN. Oh, yes.

Mr. BLALOCK. And they wouldn't come back until they would get them, they would make our peons that we kept there, our servants or hands——

The CHAIRMAN. Employees?

Mr. BLALOCK. Employees; they would make them hunt those mules up, go out in the woods and hunt them up; we kept everything away from our place, wouldn't keep stock around the place because they were taking them constantly; and these men were held and not released until a certain number of animals would be brought in.

The CHAIRMAN. I want to ask you a personal question, Mr. Blalock?

Mr. BLALOCK. Yes, sir.

The CHAIRMAN. How much money did you have when you went there?

Mr. BLALOCK. I and my son had $4,000 of stock in the colony, and we had some money besides.

The CHAIRMAN. About how much?

Mr. BLALOCK. I suppose about a couple of thousand dollars.

The CHAIRMAN. Were you the representative of any corporation?

Mr. BLALOCK. No, sir.

The CHAIRMAN. Were you representing an oil company?

Mr. BLALOCK. No, sir.

The CHAIRMAN. Did you go there backed by any American capital?

Mr. BLALOCK. No, sir.

The CHAIRMAN. It was an organization of your own people?

Mr. BLALOCK. Yes, sir.

The CHAIRMAN. Each family putting in what they could?

Mr. BLALOCK. Yes, sir.

The CHAIRMAN. To acquire a home?

Mr. BLALOCK. Yes, sir.

The CHAIRMAN. They were there to make a home in Mexico?

Mr. BLALOCK. Yes, sir. Many of the people had never owned a home, Senator—many of them had never owned a home, had been tenants all their lives.

The CHAIRMAN. Did you interfere—did you or any of your colonists interfere in any way with the Mexican authorities?

Mr. BLALOCK. How?

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The CHAIRMAN. Did you take any interests in Mexican politics?

Mr. BLALOCK. None whatever; no, sir—none whatever.

The CHAIRMAN. How did you learn about any revolutionary conditions there?

Mr. BLALOCK. Well, we just learned it through the American papers; if we hadn't read the papers we wouldn't have known—that is, now, during the Madero——

The CHAIRMAN. Yes?

Mr. BLALOCK. We wouldn't have known there was a revolution in the country.

The CHAIRMAN. Would you have known about the Carranza revolution?

Mr. BLALOCK. Yes, sir; mighty quick.

The CHAIRMAN. How?

Mr. BLALOCK. Because the soldiers began visiting us. Senator. I will have to be excused a moment.

The CHAIRMAN. All right, you can be excused.

(The witness retired and shortly returned.)

The CHAIRMAN. Senator Smith, will you conduct the further investigation?

Senator SMITH. Mr. Blalock, I understand from your testimony thus far that you had formed a community colony of people going out to make homes in Mexico?

Mr. BLALOCK. Yes, sir.

Senator SMITH. Were they people well to do, or were they poor people as a class?

Mr. BLALOCK. They were poor people, Senator; as I stated, many of them never had owned their homes.

Senator SMITH. What did you do after you got to Mexico and acquired the land; what did you do toward the development of these homes?

Mr. BLALOCK. We immediately went to clearing the land and preparing the fields to make farms.

Senator SMITH. How long did you continue there?

Mr. BLALOCK. Just as long as we were permitted to stay there.

Senator SMITH. Just as long as you were permitted to stay there?

Mr. BLALOCK. Just as long as we were permitted to stay there.

Senator SMITH. Well, what, if anything, was done by you or any member of the colony, as far as you know, inimical in any way to the interests of the Mexican Government?

Mr. BLALOCK. Well, if we did anything, why, we didn't know it, because we knew that we were in a foreign country and a strange country and we did our very best not to violate any of the laws.

Senator SMITH. And you maintained that attitude until you were absolutely driven out of the country?

Mr. BLALOCK. Yes, sir.

Senator SMITH. Do you know of any other community, by reputation or otherwise, that were likewise treated, with American citizens, in Mexico?

Mr. BLALOCK. Well, yes.

Senator SMITH. I mean, for my own information, what other colonies?

Mr. BLALOCK. The Atascador.

Senator SMITH. Where was that?

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Mr. BLALOCK. That was 75 miles south of Chemal colony—Blalock colony.

Senator SMITH. How many were represented to be in that colony, do you know?

Mr. BLALOCK. I think there were only about 35 families, I think, all told, about 35 families, that is my recollection.

Senator SMITH. Do you know whether they are all there now or not, or any of them, or whether they have all been driven out?

Mr. BLALOCK. When I was there last there was just a few men there; I ranched on that colony some time; and we, four of us, moved a thousand steers down there, and I was there with the cattle; I stayed there with the cattle about a year, and knew all these people well.

Senator SMITH. Did any of your colonists, your neighbors, or those who were associated with you, did any of them lose their lives down there?

Mr. BLALOCK. Yes, sir.

Senator SMITH. How many?

Mr. BLALOCK. Five.

Senator SMITH. Five?

Mr. BLALOCK. Yes, sir.

Senator SMITH. Did you know personally the circumstances attending the killing?

Mr. BLALOCK. Yes, sir; so far as I might know——

Senator SMITH. From investigation?

Mr. BLALOCK. For instance, we found W. L. Randle, we found him in his well. He lived alone on his ranch, and he wasn't seen for several days, and on some inquiry being made we went to his ranch, and couldn't see anything of him, and in looking around we discovered something in the well, and on investigation found it was Mr. Randle.

Senator SMITH. How did you know, or did you have any idea, or have any knowledge of who killed him?

Mr. BLALOCK. Yes, sir. Immediately I and Mr. Medlin, one of the colonists, went to Victoria, to the governor, and reported the matter to him and asked him if it wasn't possible to give us protection. He asked us to come back the next morning—he said he would, positively that he would—he asked us to come back the next morning, and he reported that he had already sent officials from Xicotencatl—that is the biggest town between us and the station, our station: quite a town, and they have district court there—that he had ordered this district judge to go immediately on the ground and to arrest these people; that I reported the next morning—we had missed our train, had to lay over until next day, and when we got home they had our people, had the men who had done the killing; these men immediately went out—that is, the next morning after our arrival at Victoria these men, the court, had taken his officers and went immediately over there, and just before I arrived at my ranch I met him with the three criminals that had done the killing, bringing them—going back to his court, and he says, "We have them."

Senator SMITH. Do you personally know what was done with those prisoners?

Mr. BLALOCK. Yes, sir.

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Senator SMITH. What?

Mr. BLALOCK. Yes, sir.

Senator SMITH. What was done with them?

Mr. BLALOCK. I was notified that they had been—I will say this first now, this judge, he was called a very bad man by the Mexicans, and he straightened things around in that country to a considerable extent; he notified me, wrote me that these men had been convicted and sent to Victoria; however, they convicted them and gave them a life sentence; soon afterwards the wife of one of the men told me that her husband was a soldier, and later on we learned that all three had been turned loose to join the army. Later on they came back to the colony and were there when I left it—I frequently saw them, I suppose they are all——

Senator SMITH. Now, that is one of the deaths. How about the others?

Mr. BLALOCK. That was Mr. Randle.

Senator SMITH. Yes. How about the others?

Mr. BLALOCK. Mr. Pilgrim was killed about three years ago and we had the very best circumstantial evidence as to who killed him; he was shot in the back on his own ranch inside of his own inclosure, in his pasture, and the coroner—we reported, of course, everything to the coroner when he came to sit on the body, and he in turn examined several different witnesses; and the witnesses we wanted to put in—the date was Saturday when we were to be there and we had sent those witnesses with an American—I didn't know him, but we sent them, and when they arrived—when the witnesses arrived on the date they wished them to be in Ocampo, and he said the military had charge of the case—had taken it out of the hands of the civil authorities, and the military—the officer, I have his name at home, I haven't it here but I have it at home, that was then in charge of the town——

Senator SMITH. Who were these witnesses?

Mr. BLALOCK. The witnesses were two Mexican women, they were our main witnesses—two Mexican women, one of them was a very beautiful woman, a young woman and a beautiful woman, the other was passable. Immediately those men began to make advances to those witnesses; the officer—the judge, soon afterwards invited them to go into an adjoining room; they refused and that passed off one day without anything at all being done. The next day they were ordered in at 10 o'clock and appeared, and during the time this major, he was trying to get those women to go into a private room with him, he grabbed this younger woman and tried to carry her into this room, and she bit him and made him turn her loose, bit the blood out of him and he turned her loose, and the American that had went there with them, that had carried the women there, he felt more or less responsible for them, of course, he jumped up—he didn't make any demonstration at all—he jumped up and pleaded with the officer not to do that, he pulled his revolver and it—and we call it snapped the cartridge, failed to explode; well, he fell under the table and the people ran out of the court room—it was right on the sidewalk—and some one notified our judge, the man that had held the inquest, he happened to be near, he ran in and implored the man not to shoot the gringo, and finally got him to agree not to kill him—

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but he was under the table, and several times he was ordered out and ordered not to leave the town; and he stayed there four days, kept those women there four days without ever asking a question about the murder or anything about taking the case up at all.

Senator SMITH. Whatever became of the case?

Mr. BLALOCK. The case?

Senator SMITH. Yes, sir.

Mr. BLALOCK. It is just like we left it—they finally—our judge finally prevailed upon this man to allow the people to go home; they went home and there allowed to stay. That was the case of J. D. Pilgrim; we feel, Senator, that was the worst thing that ever happened in our colony, it hurt our people worse.

Senator SMITH. Yes. About those other deaths?

Mr. BLALOCK. Mr. Gorman was killed a year ago—more than a year ago—he was killed in 1918; yes.

Senator SMITH. Who was that?

Mr. BLALOCK. Frank Gorman—F. P. Gorman; and the time that Mr. Gorman was killed they had got up quite a little bit of talk, you know, about the United States doing something—I think maybe the Fall senatorial committee got into existence, or something, and it seems that these people down there got very much excited; the commander at Tampico sent out this word, because we got it from our friends down there—he said to catch those people that killed the man Gorman, try them and shoot them. They were caught immediately—they were civilians right there, were people on the place, and during this time, during this investigation now, it developed that one of these men had choked one of the men, I haven't told you about, a man by the name of Bob Penix, we found him dead, no marks on him, we couldn't tell anything about it, and it developed in this case—in this trial, that one of these men, Constancio Colocho, had choked this man to death, had killed him—they were drinking at the time, and I don't know why—he was the leader of the three that killed Gorman—they were found guilty and ordered to be shot, and I was expecting to get a letter every week from there that they had been shot, you know, and I finally got the letter stating that they had been released to join the Army; the man's wife writes me—Mr. Gorman's wife writes me that they are all three back there—have quit the Army, of course—deserted, I suppose—and are back on the ranch.

Senator SMITH. How about the case of Mr. Byrd, was Mr. Byrd killed?

Mr. BLALOCK. Mr. Byrd was killed on the Atascador ranch.

Senator SMITH. Do you know personally about his death?

Mr. BLALOCK. No, sir; I do not; it is only hearsay. I came very near knowing personally about the Gourd incident they had on the Atascador. I was there with Mr. Kennard, within a mile or two of Mr. Gourd's ranch when that happened, the night that it happened.

Senator SMITH. Tell us about it?

Mr. BLALOCK. As Mr. Gourd related, and as the girl related, there were three men rode up to Mr. Gourd's residence after nightfall and asked for a match to light their cigarettes; Mr. Gourd walked out to give them the match and gave them the match; as they turned to walk back, they roped him, threw a lasso on him and jerked him down and tied him, and went in—and the girls say they don't have

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any idea of how many times they were raped. The news next morning spread out over the country; it was on my ranch or property by sun-up; a man passed by and told me about it, and we did all we could. We sent people right into Tampico, sent those girls with the old gentleman; Mr. Miller took charge of the people, the American consul; the Americans made up a sum of money—I don't remember, but it seems to me five hundred or seven hundred dollars—and then afterwards they captured those people, those three men, we were notified—I was still with my cattle on the Atascador—we were notified that those men had been tried, I think it was seven months after the offense had been committed, we were notified that they had been found guilty and were being sent to San Luis Potosi to be shot. I suppose it is 25 miles, I guess, from Rodriguez, the nearest station, to San Luis; well, we protested, you know, but, of course, that didn't do any good—why not shoot them there, or send them over to the Gourd place and shoot them there where they committed the crime? But they sent them to San Luis Potosi—I don't know—that is all I know; I do know that they were carried off, because a friend saw them when they were put on board the train in the custody of officers and sent to San Luis Potosi. We never could imagine why they would send them clear up there to shoot them, you know; we don't know, of course, it was stated they were shot.

Senator SMITH. What was the name of that colony that Mr. Gourd belonged to?

Mr. BLALOCK. The Atascador.

Senator SMITH. What is yours?

Mr. BLALOCK. The Blalock-Mexico colony.

Senator SMITH. That is yours?

Mr. BLALOCK. Yes, sir. But this Gourd incident was on the Atascador, and I happened to be right there.

Senator SMITH. Well, all your crops and all the accumulations and improvements that you had at this colony of yours—live stock and all—were dissipated, were gone?

Mr. BLALOCK. Yes, sir. We have sold a good many head of cattle. A few years back we had 800 head of cattle, and I have a pretty close record of what I have sold. I sold out of that 800 head, sold about 300; I carried to the Atascador 320 head; I got 60 head; they taken the rest. They taken from the Atascador at one time 62 of our steers and brought them to Matamoros, across the river. One of our neighbors, one of our colonists, saw them as they brought them across the river; that was Carranza's government—gave them 500; they refused to gather them, and they brought them into our corral and then made two of the boys cross them; that was from the Atascador, though; that was cattle we carried down there to put on that new range.

Senator SMITH. How many of those homes that were established in your colony—how many of the homes are left there with people living in them?

Mr. BLALOCK. There is just one.

Senator SMITH. One?

Mr. BLALOCK. Mr. Kennard, the German, has been there with his wife all the time.

Senator SMITH. They are living there still?

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Mr. BLALOCK. Still there; I heard from them last week, and they are still there and have a fine crop.

Senator SMITH. Are they interfered with at all?

Mr. BLALOCK. Why, Senator, yes; but so little it don't amount to anything. To give you an idea, now, when I left the colony two years ago he had a very nice little stock, what we call in that country a commissary—which is a country store—and all of our stores have been broken down, broken into long ago and everything gone, and when I left there we didn't ride the road at all going from one point to another; we always went through the woods for fear of meeting somebody that would dismount us, you know. But it seems he was not molested; there is no doubt about that, he was not molested like the rest of us, and he is still there.

Senator SMITH. What is his name?

Mr. BLALOCK. Kennard.

Senator SMITH. Kennard?

Mr. BLALOCK. Yes, sir. I don't know, don't remember his initials; I have forgotten.

Senator SMITH. You have named three men that were killed. What was the name of the other colonist there?

Mr. BLALOCK. Why, I knew three or four men that were killed at the Colonia.

Senator SMITH. Of your own colony?

Mr. BLALOCK. Of mine; yes, sir. I understood you said other colonies.

Senator SMITH. Of your own colony.

Mr. BLALOCK. Of mine; yes, sir. Mr. McCuistian was the first one; we have no idea of who killed him; he was shot in bed. Bob Penix was the next. J. R. Randle was the next one. Pilgrim was the next one, and Frank Gourd was the last one.

Senator SMITH. All of whom you have named?

Mr. BLALOCK. Yes, sir.

The CHAIRMAN. That is all. We are much obliged to you, Mr. Blalock.

(Thereupon, at 11.45 a. m., the committee recessed until 2 o'clock p. m. of the same day.)

AFTER RECESS.

(2.45 o'clock p. m.)

TESTIMONY OF JAMES J. BRITT.

(The witness was sworn by Dan M. Jackson, Esq., duly authorized thereto by the subcommittee.)

The CHAIRMAN. Mr. Britt, state your name and age.

Mr. BRITT. James J. Britt, 36 years of age.

The CHAIRMAN. Citizen?

Mr. BRITT. American.

The CHAIRMAN. Native born?

Mr. BRITT. Yes, sir.

The CHAIRMAN. Where do you live?

Mr. BRITT. Tampico.

The CHAIRMAN. How long have you lived in Tampico?

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Mr. BRITT. Off and on since 1913.

The CHAIRMAN. What do you do there?

Mr. BRITT. Attorney.

The CHAIRMAN. Practicing attorney?

Mr. BRITT. Yes, sir.

The CHAIRMAN. Whom are you representing, if anyone?

Mr. BRITT. I represented the Mid-Co Co. at one time, and now I am for myself.

The CHAIRMAN. What you say of Tampico, of course you mean Tampico, Mexico?

Mr. BRITT. Mexico; yes, sir.

The CHAIRMAN. When did you go to Tampico?

Mr. BRITT. I went down there in August.

The CHAIRMAN. Of what year?

Mr. BRITT. In 1919.

The CHAIRMAN. That is recently?

Mr. BRITT. Yes, sir.

The CHAIRMAN. Where were you before that?

Mr. BRITT. In France.

The CHAIRMAN. What were you doing in France?

Mr. BRITT. I was in the Tank Corps.

The CHAIRMAN. Tank Corps—what Tank Corps; what do you mean by it? Explain it.

Mr. BRITT. United States Tank Corps, Battalion 326, reorganized 344.

The CHAIRMAN. You were in the United States service during the last war with Germany?

Mr. BRITT. Yes, sir.

The CHAIRMAN. And was in the American Tank Corps in France during that time?

Mr. BRITT. Yes, sir.

The CHAIRMAN. When were you mustered out?

Mr. BRITT. I was mustered out in March, 1919.

The CHAIRMAN. And upon being mustered out you removed shortly afterwards to Tampico?

Mr. BRITT. I went to Arizona, and from Arizona to Nevada, to regain my health.

The CHAIRMAN. How did you happen to go to Arizona?

Mr. BRITT. I weighed about 127 pounds—I was gassed—and went there to regain my health.

The CHAIRMAN. You say you have been practicing your profession in Tampico?

Mr. BRITT. I have, sir.

The CHAIRMAN. What do you know of the conditions in Tampico since you have been there, Mr. Britt?

Mr. BRITT. Throughout the oil fields, extremely bad.

The CHAIRMAN. How do you mean? Explain that.

Mr. BRITT. An American's life is not worth—well, would be worth more in the Argonne than down in the oil fields of Tampico.

The CHAIRMAN. You mean that an American's life to-day in the Tampico oil fields is worth as much as an American's life was worth during the attack in the Argonne in France?

Mr. BRITT. In the Argonne; yes, sir.

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The CHAIRMAN. Due to what?

Mr. BRITT. Due to a certain percentage of propaganda of Germans.

The CHAIRMAN. Have you any evidence or do you know anything about that personally? About the propaganda?

Mr. BRITT. I have and I do.

The CHAIRMAN. State what it is.

Mr. BRITT. The Mundo, a newspaper of Tampico, was owned and controlled by German finances; that statement was given out at a meeting of the American Legion on Tuesday night at the Y. M. C. A. by our consul. In the article is stated that every American who was a member of the American Legion and wore a button should be deported from Mexico.

The CHAIRMAN. You are a member of the American Legion?

Mr. BRITT. I am, sir; I have my button and it will never come off. We have in the neighborhood of 400 members there, and the 400 members——

The CHAIRMAN. Now, what does that membership consist of?

Mr. BRITT. Men that are well-trained soldiers.

The CHAIRMAN. Where?

Mr. BRITT. Both in France and the United States.

The CHAIRMAN. All Americans?

Mr. BRITT. Yes, sir.

The CHAIRMAN. About 400?

Mr. BRITT. About 400.

The CHAIRMAN. Of whom you are one.

Mr. BRITT. I am one.

The CHAIRMAN. Just proceed now and tell your own story, Mr. Britt. You are an intelligent man; just tell your own story of the conditions there.

Mr. BRITT. Why, one condition existing down there is that in order to transfer money, of course, it has all to be in gold to pay off, they have to get a permit. As soon as they get that permit, information is passed down the line that the paymaster is on the way, and then they waylay anybody but the Carrancistas, because that country is just flooded with them.

The CHAIRMAN. Now, Tampico, as we understand, is under the authority of the Carrancistas?

Mr. BRITT. Of the Carranzistas and M. Palaez.

The CHAIRMAN. Where is Palaez?

Mr. BRITT. Palaez is through Amatlan and Tampico.

The CHAIRMAN. Where are the oil fields?

Mr. BRITT. Amatlan, Tampico, Panuco, and also the southern fields.

The CHAIRMAN. Who is largely in charge of the producing oil-well district in addition to Tampico?

Mr. BRITT. The Aguila Co., Metropolitan, the Huasteca has got some rights of way there, the International, the Texas Co., the Union Oil Co., and I am not positive as to whether the Island Co. has any interest there or not.

Senator SMITH. Who owns these interests—these oil interests?

Mr. BRITT. American interests.

The CHAIRMAN. They do not own the Aguila?

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Mr. BRITT. No; but I understand they are somewhat interested in the Aguila, because there has been a consolidation in the last two months.

The CHAIRMAN. The Aguila, however, was originally British?

Mr. BRITT. British; yes, sir.

The CHAIRMAN. Lord Cowdry?

Mr. BRITT. Yes, sir; Lord Cowdry.

The CHAIRMAN. Now, as we understand, these oil wells in the oil district are built largely by pipe lines to Panuco and other points, and the pipe lines themselves are in the control of the Carrancistas?

Mr. BRITT. Absolutely.

The CHAIRMAN. Well, the oil wells are largely in control of Palaez?

Mr. BRITT. Why, he gets his money before the producers get a five-cent piece.

The CHAIRMAN. It is in evidence before this committee, Mr. Britt, testified to by Mr. Doheny and others, American well producers, that they are paying to Palaez approximately $30,000 per month for protection?

Mr. BRITT. I venture to say more than that for protection.

The CHAIRMAN. Yes, sir; and then they pay all the regular duties, whatever they may be, from month to month, to the Carranza Government?

Mr. BRITT. Yes, sir.

The CHAIRMAN. It is also in evidence—I do not know whether you have had your attention called to it—that the payments made to Palaez are made under the precedent established by the payments originally made to Candido Aguilar, a son-in-law of Mr. Carranza, and by the advice of Mr. John Lind of the State Department of the United States?

Mr. BRITT. Yes, sir. I happened to be down there with Mr. John Lind.

The CHAIRMAN. So the committee understands it, and we think it is uncontroverted, that while it is true that the American oil interests in Mexico are paying for protection, for their protection to Palaez, that they are doing so with the acquiescence and by the request, first, of the Mexican Government, and, second, by the advice of the American Government?

Mr. BRITT. Personally, I think by John Lind.

The CHAIRMAN. And directly by the State Department, as the evidence before this committee shows.

Mr. BRITT. Yes, sir; by the State Department.

The CHAIRMAN. Now, have there been any occurrences of particular interest in the Tampico oil district since you have been there?

Mr. BRITT. Yes, sir.

The CHAIRMAN. What?

Mr. BRITT. That has been already testified to, but I do not mind stating it again.

The CHAIRMAN. If you will.

Mr. BRITT. Two of my very dear friends, F. J. Rooney and Earl Bowles. They were at my house for Christmas dinner, and they left on the 30th. Prior to that F. J. Rooney was employed by the Texas Co., and he resigned and joined the International Co. He

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was a very heavy-built man, and he went down there on the 30th. As to the day he was killed I am not positive, but in the meantime the paymaster—they came over to the Texas Co. to get some gasoline, and the paymaster of the Aguila Co. had stopped in to get permission to carry gold down, which information had been imparted down the line that the paymaster was going, who happened to be stocky built the same as F. J. Rooney.

The CHAIRMAN. The Aguila Co. is the original Lord Cowdry?

Mr. BRITT. Lord Cowdry; yes, sir. These men were waylaid, and Rooney was shot through the back and the bullet pierced his heart, and his right shoulder was blown off. Earl Bowles jumped up and started to run, and he was shot through the ankle. Of course, that brought him down. They got upon him, and they took a machete and ran it clean through his body and brought it up and turned it over and brought it right up just as they would take a piece of beefsteak and cut it off. That is the way they chopped him up. All for the money; they mistook Rooney for the paymaster.

The CHAIRMAN. Who were these men you speak of?

Mr. BRITT. They were Carrancistas.

The CHAIRMAN. I mean Rooney.

Mr. BRITT. F. J. Rooney was from Houston, Tex., and Earl Bowles was from Texas.

The CHAIRMAN. Are they Frenchmen?

Mr. BRITT. One is an Irishman, and Earl Bowles is an Irish-American.

The CHAIRMAN. Do you know whether they are native citizens of this country?

Mr. BRITT. I am absolutely positive of it. Rooney's family is in Texas, and Earl Bowles' body was brought through this city day before yesterday for Thorndale.

The CHAIRMAN. They were from Texas, then?

Mr. BRITT. From Texas; yes, sir.

The CHAIRMAN. They were American citizens?

Mr. BRITT. American citizens. F. J. Rooney I know positively had bought $3,500 worth of Liberty bonds, and Earl Bowles had bought about $5,000 worth of Liberty bonds.

The CHAIRMAN. You mean bonds issued by this Government during the war?

Mr. BRITT. Yes, sir.

The CHAIRMAN. American Liberty bonds?

Mr. BRITT. Yes, sir.

The CHAIRMAN. With which to carry on this war?

Mr. BRITT. Yes, sir.

The CHAIRMAN. Do you know with what ammunition these men were shot?

Mr. BRITT. Yes, sir; they were killed by Mauser bullets, which were used by the Carrancistas.

Senator SMITH. No other kind?

Mr. BRITT. That bullet is used by nobody else.

The CHAIRMAN. Where were they killed with respect to the lines of Palaez and Carranza?

Mr. BRITT. They were killed right in the Carranza lines.

The CHAIRMAN. Within the Carranza lines?

Mr. BRITT. Yes, sir.

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The CHAIRMAN. What effort, if any, has been made by the Carrancista authorities to apprehend these men?

Mr. BRITT. The same as usual—nothing.

The CHAIRMAN. You say the same as usual. Explain that.

Mr. BRITT. They have never endeavored to get culprits of any of these deprecations and crimes, and, furthermore, there was not a witness within a mile of these two men, and the paymaster of the Aguila Co. came up about a half an hour afterwards and the bodies were warm, and he picked the bodies up and took them in the car and took them down to the plant. The Carrancistas are now crying that the Americans killed them, that they had no business to take the bodies away from there. The bodies were brought to Tampico and the Americans stood guard at the undertaker's to prevent the bodies from being taken.

The CHAIRMAN. How was that?

Mr. BRITT. Because we had the same experience when Wallace—Joe Wallace—was killed.

The CHAIRMAN. How was that?

Mr. BRITT. Well, he was a man that never took a drink, and when these Mexican physicians held the inquest the body was just covered with tequila. They had taken the body and poured it down his throat after he was dead, and then poured tequila all over his body, and this statement was made—that it was a drunken brawl that he was killed in.

The CHAIRMAN. You mean James Wallace?

Mr. BRITT. Yes, sir.

The CHAIRMAN. You mean to say that after he was dead that tequila or some other liquor was poured in his mouth?

Mr. BRITT. In his mouth and all over him.

The CHAIRMAN. With the intention of making the impression that he was intoxicated?

Mr. BRITT. Intoxicated and got into a brawl with these Mexicans.

Senator SMITH. Was he a drinking man?

Mr. BRITT. No, sir; he was not a drinking man. I know that to be a positive fact.

The CHAIRMAN. And for that reason the Americans guarded the body?

Mr. BRITT. Guarded the body until we got the American doctor to come down and hold this inquest with these Mexican doctors, and Dr. Garnett, of Tampico, Mexico, held the inquest.

The CHAIRMAN. What is the condition with reference to the relative safety of American citizens within the district controlled by Palaez and the district controlled by Carranza, if you know?

Mr. BRITT. Well, sometime ago after one of the men was killed down there, or the men came out of the fields; I think they were very foolish not to come out of the fields and leave the companies and leave the United States to suffer for the shortage of oil.

The CHAIRMAN. Although you know, having served in France and having your attention called, more or less, to the conditions, although you know that more than 20 per cent of the oil that was used by the American fleet and the British fleet, and to which we consider largely due the victory of the allied arms, came from Mexico?

Mr. BRITT. Yes, sir. Mexico produces more oil than the United States and Roumania.

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The CHAIRMAN. And yet you think they should shut down?

Mr. BRITT. If they are not going to get any protection.

The CHAIRMAN. What would be the result?

Mr. BRITT. Starve out Mexico. Without the production of the oil, Mexico could not exist.

The CHAIRMAN. How about the United States?

Mr. BRITT. Well, Oklahoma could produce enough oil for the United States.

The CHAIRMAN. Well, it did not during the war.

Mr. BRITT. No, sir; it did not.

The CHAIRMAN. You think the recent developments in Oklahoma and Texas would enable us to continue without the Tampico oil fields?

Mr. BRITT. Well, I do; for it would only last about three or four months.

The CHAIRMAN. What do you mean by that?

Mr. BRITT. Tampico is paying the running expenses of the whole Republic, and without the income from the oil wells the Mexicans could not exist. It would cause an uprising against the Government.

Senator SMITH. They could not pay anybody?

Mr. BRITT. No, sir; they could not pay; it is impossible. A good percentage of the feeling down there is that they want the Americans down there. It is just a common, ordinary grafting of Luis Cabrera and Carranza.

The CHAIRMAN. Have you had your attention called to the report of the Fuel Administration of the United States with regard to gasoline production?

Mr. BRITT. I have not had it—have not paid much attention to it.

The CHAIRMAN. Do you understand that in the event the United States was compelled to depend entirely upon production in Texas and Oklahoma, or the old oil fields, as well as those which our experts claim may be developed within the United States, within 50 years the United States resources would be absolutely exhausted?

Mr. BRITT. I rather believe that is a hard problem for any man to answer, but I do not think these men——

The CHAIRMAN. I understand it is; but I want to know whether you had had your attention called to the Government report?

Mr. BRITT. I noticed an editorial.

The CHAIRMAN. You are living down there among American oil men of Tampico, Mexico. Do you know the American producers there personally?

Mr. BRITT. Yes, sir.

The CHAIRMAN. Do you know Mr. Edward Doheny?

Mr. BRITT. I never met him down in Tampico but I have met him in Los Angeles.

The CHAIRMAN. You know he is one of the big ones?

Mr. BRITT. He has the biggest plant around there—the Huasteca.

The CHAIRMAN. Have you happened to read over Mr. Doheny's testimony before this committee?

Mr. BRITT. No; I have not, sir; but I can make this statement, that the reason why Mr. Doheny was going down to Tampico, Mexico, with Mr. Harold Walker, attorney for the Huasteca, and information was received that their lives would not be worth—well, would

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not be worth 24 hours in that city—so they sent Dr. Paddleford down and Mr. Green went——

The CHAIRMAN. Mr. Green is the manager for Doheny?

Mr. BRITT. He is, I believe, the assistant manager now, since Dr. Paddleford——

The CHAIRMAN. Mr. Doheny is antagonistic to the Mexican administration there, is he not, or do you happen to know?

Mr. BRITT. I am not familiar enough with their office to answer that.

The CHAIRMAN. Well, do you know whether or not the Doheny Co., being the largest individual operator among the Americans, whether they have refused to manifest their holdings there, a request of the Mexican Government on permits to drill new wells?

Mr. BRITT. I do not know that positively, but I have been informed.

The CHAIRMAN. That is your information?

Mr. BRITT. That is my information.

The CHAIRMAN. Do you know where they secured the advice upon which they acted with reference to that?

Mr. BRITT. From their counsel.

The CHAIRMAN. Do you know whether the matter was submitted to the State Department of the United States Government?

Mr. BRITT. I have been informed that information was submitted to the State Department, and they were acting upon the advice of the State Department.

The CHAIRMAN. That the Government of the United States had advised them not to submit to the Carrancista decree?

Mr. BRITT. That is my information.

The CHAIRMAN. And that in the action which they have taken and which they have sought to advise the other people interested in the oil production in Mexico to take they have been guided by what they understood to be the desires of the United States Government?

Mr. BRITT. Yes, sir.

The CHAIRMAN. Through its State Department?

Mr. BRITT. Yes, sir.

The CHAIRMAN. Then these Americans down there are not simply acting as outlaws, are they?

Mr. BRITT. Oh, my heavens, no.

The CHAIRMAN. Have you ever had your attention called to the note of the American State Department of August 18, 1918, to the Mexican Government with reference to these manifests on their oil properties?

Mr. BRITT. I was not in Mexico then, I was in France.

The CHAIRMAN. Well, I did not know but what your attention had been called to that. Then you do not know, of course, that on that day following the protest of four years, that the American State Department—the President of the United States acting through the Secretary of State Mr. Lansing—notified the Mexican Government that the oil producers in Mexico would not be required to submit to the decrees of Mr. Carranza?

Mr. BRITT. I was informed of that.

The CHAIRMAN. And that the United States Government would protect any American citizens against such decrees?

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Mr. BRITT. Well, the United States Government at the present time has not been doing anything.

The CHAIRMAN. Well, they notified them?

Mr. BRITT. Yes, sir.

The CHAIRMAN. On October 31, 1919, did you know that the State Department again notified Mexico?

Mr. BRITT. I have not seen the order, but I have been informed of it.

The CHAIRMAN. So that these oil people who are discussing in the press in the United States that the United States, as well as Mexico, are not actually international outlaws, as you understand it?

Mr. BRITT. Well, I can not see where they have been outlaws, they have been a benefit to the United States, and they have done their duty as much as the men that have been across the "pond" fighting.

The CHAIRMAN. And they were notified by the advice of the United States State Department?

Mr. BRITT. Yes, sir.

The CHAIRMAN. They abided by the advices of the State Department of the United States?

Mr. BRITT. Yes, sir.

The CHAIRMAN. Then when Mr. Doheny, who was the original American oil man in Mexico, and developed the first well there, when he refused to submit his titles to the Carranza Government and to abide by the orders they may issue, you understand, as this committee does, that he has been acting under advice of his own Government?

Mr. BRITT. From the State Department; yes, sir.

The CHAIRMAN. You say you do not know Mr. Doheny, you do not know where he came from?

Mr. BRITT. Yes; I do know Mr. Doheny. I met him in Los Angeles. I know Mr. Hal Walker.

The CHAIRMAN. Do you know anything about Mr. Doheny, who he is and what he is?

Mr. BRITT. I know he is an oil man, he is the Huasteca.

The CHAIRMAN. It is a matter of interest to the committee, a matter of interest to the people of the United States.

Mr. BRITT. He has been very liberal to the Mexican Government.

The CHAIRMAN. Yes, sir. Do you know whether he was one of those millionaires?

Mr. BRITT. Mr. Doheny was a very poor man until he made a strike in California, and then down in Mexico.

The CHAIRMAN. Do you know who developed the oil wells in Mexico?

Mr. BRITT. He was a poor man working for a living.

The CHAIRMAN. Do you know whether he mortgaged his house or his wife's jewels, etc., to develop this property?

Mr. BRITT. I do not know whether any of you have been in Mexico, but he lives right down in that cactus there in those fields for months.

The CHAIRMAN. Well, he is what the border men——

Mr. BRITT. He is a pioneer down there.

The CHAIRMAN. What we Texans and New Mexicans and Arizonans know as a pioneer, he made himself?

Mr. BRITT. He made himself, yes, sir; he is a pioneer.

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The CHAIRMAN. It is not for publication, but for your information, I will say that I worked on the hammer with Ed Doheny at $3.50 a day myself.

Mr. BRITT. Any man that goes down in that country deserves everything he gets out of it.

Senator SMITH. He does not deserve something he gets down there.

Mr. BRITT. No, sir; he does not. I remember in 1913 or 1914, I am not positive which it was, Mr. Daniels, then the Secretary of the Navy, stated that we were all outlaws and adventurers and he took the fleet out. I happened to be in Vera Cruz when orders came in, we were going to embark and they got—and the boats went out, and although we fought them afterward, the Germans and English took us aboard and took us away from there.

The CHAIRMAN. Where were you?

Mr. BRITT. Vera Cruz.

The CHAIRMAN. When?

Mr. BRITT. 1913 or 1914, I can not say—it was 1914.

The CHAIRMAN. Who took you out?

Mr. BRITT. The Germans and English.

The CHAIRMAN. What Germans?

Mr. BRITT. The German ships.

The CHAIRMAN. The *Dresden?*

Mr. BRITT. I am not sure of the name of it now.

The CHAIRMAN. You were in Tampico?

Mr. BRITT. I was in Vera Cruz.

The CHAIRMAN. You were not in the Southern Hotel at Tampico at that time?

Mr. BRITT. No, sir; I had just left there. Clarence Miller was then American consul.

The CHAIRMAN. You considered yourself very fortunate?

Mr. BRITT. Well, it was just as bad in Vera Cruz.

The CHAIRMAN. Now, Mr. Britt, you are a member of the American Legion?

Mr. BRITT. Yes, sir.

The CHAIRMAN. Of whom is the American Legion composed?

Mr. BRITT. One hundred per cent Americans—and every man that done his duty on this side is 100 per cent American.

The CHAIRMAN. Well, that is a broad assertion. I think I am 100 per cent American, and I know Senator Smith thinks he is 100 per cent American. Directly, what composes the American Legion?

Mr. BRITT. The fighting men, the men that produced and furnished the material for us to gain victory in this war.

The CHAIRMAN. The men who were in this war between the United States and Germany?

Mr. BRITT. Yes, sir; and done their duty.

The CHAIRMAN. Have you seen a copy of the City of Mexico papers, or reproductions in the American papers, of any statement from Luis Cabrera within the last few days with reference to the American Legion at Tampico?

Mr. BRITT. Of course, it is all hearsay with me.

The CHAIRMAN. I say, have you seen that?

Mr. BRITT. I have; and this Luis Cabrera said that the American Legion men in Mexico should be deported.

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The CHAIRMAN. You are ready to be deported, are you?

Mr. BRITT. No; I am not.

The CHAIRMAN. Who is Luis Cabrera—minister of Hacienda?

Mr. BRITT. He is the Acting President of Mexico.

The CHAIRMAN. His nominal title is that of secretary of the treasury, minister of Hacienda?

Mr. BRITT. Yes, sir; and very little goes in the Treasury. I think I read a report that they were $23,000,000 short down there—23,000,000 pesos, and they can not find that.

The CHAIRMAN. The committee's information was that the shortage was 175,000,000 pesos.

Mr. BRITT. Well, Carranza has part of that and Cabrera has got the rest. I understand that is all American money. Coming up I was talking to a gentleman in Monterrey, Mr. Miller, he is in the cattle business, and he was telling me that when Villa was operating down there, it was on a Sunday morning, and he called a meeting of all the members of the chamber of commerce, and of course they all came down to see the General, they did not know what was going to happen, and they got in this room and the soldiers were outside, and they locked the door, and Villa said, "Now, you damned Gringoes, I need," I think it was 169,000 pesos or 600,000 pesos.

The CHAIRMAN. It don't make any difference.

Mr. BRITT. Anyway, he gave them 24 hours to dig up the money, and he said, "If any of you don't like it, I have my soldiers out there and the train is out there to take you out, and if any of you Mexicans don't like it, I will take you out of here and just line you up. I have got some men out there who are good shots."

The CHAIRMAN. Did they get the money?

Mr. BRITT. Oh, he got the money.

The CHAIRMAN. Have you traveled in Mexico since you have been there at all on the trains?

Mr. BRITT. Oh, yes.

The CHAIRMAN. What has been your experience in traveling and where?

Mr. BRITT. Oh, very pleasant [speaking sarcastically].

The CHAIRMAN. Yes? Where did you travel?

Mr. BRITT. From Tampico to San Luis Potosi. I just missed one blow up, and I missed the other one coming back.

The CHAIRMAN. You were fortunate. Was the train on which you were proceeding guarded at all, or did it have a troop train in front of it, or did it run at night?

Mr. BRITT. They carried a box car back, and they range from up that high to that high [indicating], all ages.

The CHAIRMAN. About from three to four or four and a half feet?

Mr. BRITT. The gun is bigger than they are, and the children are about four feet, and then they have men there about sixty years of age, and they have their refreshments over there in the corner, and this tequila, and before they get away they are all drunk.

The CHAIRMAN. That is on the train?

Mr. BRITT. That is on the train. Their guns are all rusty, and they beg, borrow, or steal from the Americans that are on the train.

The CHAIRMAN. I notice in the last few days that the train guards on the regular trains in Mexico have been increased from 50 to 100 in number. Instead of 50 as ordinarily, they have been increased

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on the passenger trains to 100. When you were describing this car, did you mean to say that car was occupied by train guards?

Mr. BRITT. Oh, they all have their train guards on there.

The CHAIRMAN. Who do you mean by guards? Carranza troops?

Mr. BRITT. Carranza troops.

The CHAIRMAN. Do you know whether the train between Saltillo and the City of Mexico, that is to say, San Luis Potosi, proceeded at night or not?

Mr. BRITT. Well, these trains have been blown up at night. One of them was blown up at 10 o'clock. I had a picture of that train that was blown up on December 6, and I mailed it to you at Washington, with the names of the Americans that were on the train.

The CHAIRMAN. Where were you when it was blown up?

Mr. BRITT. I was safe in bed at Tampico; that is, I thought I was safe in bed, but I was robbed the next night.

The CHAIRMAN. That was the train before you, or the train after you?

Mr. BRITT. That was the train after me, and then the next train was December 11, but now it has got to be every other day or every three days.

The CHAIRMAN. There is a railroad between Tampico and Monterrey?

Mr. BRITT. Yes.

The CHAIRMAN. Is that run regularly?

Mr. BRITT. Oh, no; nothing is run regularly in Mexico. From Victoria to Tampico it is a pretty dangerous place.

The CHAIRMAN. Now, Mr. Britt, you are an attorney and you are an exsoldier, and you are an intelligent man. Do you notice in the papers reports constantly coming out of Mexico that conditions there are all right and that traveling is secure and people are safe in going backward and forward?

Mr. BRITT. Well, the Mexican Government is very proficient in their lying alibis.

The CHAIRMAN. What are the facts?

Mr. BRITT. The facts are exceedingly bad—the conditions are exceedingly bad. There is a man right here that came up from Monterrey with me, or from Tampico. He was over there and looked at his trunk, and I waited for my trunk to see it aboard the train, and he was over there to see his trunk got aboard the train. When we got to Monterrey his trunk was not there, and it contained considerable money and valuable papers. He has not got his trunk to this day.

The CHAIRMAN. Mr. Britt, do you read the San Antonio papers?

Mr. BRITT. The San Antonio Light.

The CHAIRMAN. Do you read the papers from along the border?

Mr. BRITT. We only get the San Antonio Light; once in a while we get the El Paso papers.

The CHAIRMAN. Well, take the El Paso Herald, the San Antonio Light, or other papers of that kind; I am not classifying them, but I mean other papers published here, you notice, I presume, constantly reports in those papers as to favorable conditions in Mexico and how conditions are improving?

Mr. BRITT. Well, they ought to live down there, and they would probably tell the truth.

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The CHAIRMAN. Do you mean to say by that you think that they do not always tell the truth?

Mr. BRITT. I do not mean to question their integrity, or veracity, but I do question the source of their information.

The CHAIRMAN. I can safely say, with the acquiesence of my colleague here, that the committee is entirely in agreement with you. Senator Smith mentioned that you spoke of having gotten back subsequent to some train disturbance and prior to another, and that at the time of the occurrence of the second train robbery you were in safety but you had been robbed there. What do you have reference to?

Mr. BRITT. Well, you know, our houses are all screened. We are supposed to have doors in the houses and passages they generally get in, and all they have to do is to take a knife and cut out that screen and open the door. I did not hear them the first time. I woke up in the morning; in fact, my wife woke up, and I went out and the Victrola was gone and a bed was gone.

The CHAIRMAN. A Victrola is an ordinary talking machine, a singing machine?

Mr. BRITT. Yes, sir. And a considerable amount of jewelry was gone, and they even took a little parrot that I had there, and if the confounded thing had been able to talk, I would have gotten them, but I was just trying to teach him; he was a young parrot.

The CHAIRMAN. It would not talk at all?

Mr. BRITT. No, sir. The second time they came into the house I finally got one of them, and we went over to the jail two or three times and over to the court a couple of times, and I just wasted four or five days, and finally I could not find my man.

The CHAIRMAN. What had become of him?

Mr. BRITT. Fred Burns who moved into a new house, and they cut the glass out of the window and opened the door and took two trunks of his with them, and all the jewels of his wife.

The CHAIRMAN. They did not take his wife?

Mr. BRITT. No, sir; it is a wonder they did not take his wife, because he slept so sound. Then, Mr. George Kline, who owns the Imperial Hotel, he was robbed. They took his jewelry. One thing I feel satisfied about is that Aragon, a big attorney down there, he was robbed, so that is some consolation.

The CHAIRMAN. They do not play favorites?

Mr. BRITT. No; not at all. Senator, on this train of December 6 that was blown up, there were four Americans, and they were robbed of everything they had—Mr. Spaulding and Mr. Marlock.

The CHAIRMAN. You say they were robbed and it was blown up?

Mr. BRITT. They were robbed. The car that had the guard on it was blown up. The picture that I sent you will show you how they blew this up. They blow up any car they want to blow up. Of course, they don't want to blow up the first-class passenger car, because they would blow up all the valuable stuff. They had a wire and an automatic, and this wire was attached to the trigger and the bottom attached to a trap, and this man was behind a big rock, and they would blow up wherever they wanted to. All these soldiers were killed. Of course, up on top there was some soldiers, but as soon as they would come out of the car they would tumble them over. There were four officers in the train, and they started firing out of the

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windows, and after they emptied their guns they threw them under the seats of the Americans, and when these men came in there they found the guns under the seats of the Americans, and the Americans told them they did not fire, and they would take the guns and smell the smoke, and they took them out on the hill and put a rope around Marlock's neck and took all their clothes, and they gave him a jumper and overalls; and when he got in he was as white as a sheet and sick for four days. On the second train that was blown up——

The CHAIRMAN. Are Americans allowed to carry guns there at all?

Mr. BRITT. Only with a permit, and then you are liable to get arrested for having a permit.

The CHAIRMAN. How did you get that permit, who did you get that permit from to carry a gun?

Mr. BRITT. From the comandante.

The CHAIRMAN. Did these Americans have permits to carry guns?

Mr. BRITT. No, sir; and they had no guns.

The CHAIRMAN. They had no guns or permits?

Mr. BRITT. No, sir.

The CHAIRMAN. And the Carranza soldiers or officers threw the guns under the seat?

Mr. BRITT. Yes, sir. And the second train that was blown up, young Forgarty, who had seen service across and had his arm blown off.

The CHAIRMAN. Is he a member of the American Legion?

Mr. BRITT. He is a member of the American Legion now. They robbed him and took everything away from him and humiliated him and told him he was a damned American.

Senator SMITH. The idea has gone out and been more or less prominently published in the United States that the difficulties down in Mexico originated largely from the enormous American capital invested in Mexico inimical to the interest of that republic and that all the excitement in America about Mexican outrages was due largely to the fact of the extreme energy of the great moneyed interest of Americans down in Mexico. Being in Tampico, as you say, in the heart of the main oil industry owned by the United States, can you give the committee any information as to whether that propaganda is justified by any conduct on the part of those oil interests, or whether those men are attempting to obey the reasonable laws of the country that they are in, or whether they are there disturbing the people of the Republic of Mexico?

Mr. BRITT. I will answer one question first, that they are there living up to all reasonable laws. Second, their initiative and their capital in going into these damnable holes to locate this property, is due only to the American who is progressive. These men go down there and they sink in those mud holes on blankets with the rain pouring down, and the Mexican is willing to take anything at all, anywhere from $25 to $5,000, and then after production they want more. They knew they had these oil wells down there, but they would not do it. It took the American to do it.

Senator SMITH. Since the American occupancy there—the American development—I am curious to know what truth there is in the report that these financial interests are inimical down there to the orderly government of Mexico?

Mr. BRITT. No, sir.

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Senator SMITH. Do you know of any lawlessness on the part of the capital invested there? If you do, we want to know it, for if the American is down there disturbing by force conditions in Mexico he ought to be restrained. You feel that way and every other right-thinking man does.

Mr. BRITT. There is not an American down there, Senator, that does not live up to every reasonable law; and the peons down there are well satisfied with the money and the conditions. Of course, they are receiving more wages and receiving their wages promptly; that is, when they are not held up, and that is through the Carrancistas, and Mr. Carranza is cognizant of the fact. I would not be a bit surprised if he and Luis Cabrera were not receiving part of that money, because it was just shown that two of the officers were implicated in the robbery of $60,000 gold; and it was reported that they were shot, and they were on the streets in Tampico two weeks afterwards. You know Villa has been dead nine years, but he is on the march to join M. P. (Manuel Palaez). I really believe that Villa would give the Americans a better show than Carranza has given them.

The CHAIRMAN. Mr. Britt, do you know whether there was ever an oil well sunk in Mexico by the Mexicans themselves prior to the formation of the Aguila Co. and prior to the Doheny explorations?

Mr. BRITT. Not to my knowledge.

The CHAIRMAN. Do you know whether there is a factory run in the entire Republic of Mexico, aside from one shoe factory in the City of Mexico, run by Mexicans?

Mr. BRITT. No, sir; I do not.

The CHAIRMAN. Do you know whether there is on Calle de San Francisco or on Francisco I. Madero, the principal street in Mexico City, whether there is a Mexican store or place of business?

Mr. BRITT. No, sir. I do know there are some Spaniards running stores. The only thing I have ever seen a Mexican do is begging.

The CHAIRMAN. Do you know whether any American company or individual operating in the oil districts of Mexico has acquired from Mexico any oil property of any kind or character—I mean from the Mexican Government, or whether their acquisitions have been from private parties, who have held titles to their lands from anywhere from 50 years to 200 years?

Mr. BRITT. Well, as a matter of fact, there is no title down there that is any good because there are so many illegitimate children.

The CHAIRMAN. That does not mean illegitimate children of Mexico, does it?

Mr. BRITT. Absolutely.

The CHAIRMAN. What I am asking you is, whether the titles to American properties in Mexico are acquired from the Mexican Government, or whether they have been acquired from private individuals?

Mr. BRITT. They were acquired from private individuals, and I recall one piece of property—of course, they have a notarial system there. One piece of property was sold to three different parties—three different companies by three different notaries, and all filed on the same day.

The CHAIRMAN. The idea seems to be entertained in some circles in the United States that Americans in Mexico who have been complaining of conditions there, are there by some special privilege

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holding some oil lands, for instance, by concession from the Mexican Government.

Mr. BRITT. No, sir.

The CHAIRMAN. How are the oil wells taken over, by concessions from the Mexican Government?

Mr. BRITT. No, sir; emphatically no.

The CHAIRMAN. Were they dug like they were at Ranger, Tex., land owned by private individuals?

Mr. BRITT. Private lands.

The CHAIRMAN. Then the Mexican Government had nothing more to do with them than the United States Government?

Mr. BRITT. No, sir.

The CHAIRMAN. Had nothing more to do with the oil wells in Tampico than the United States Government had in the Burkburneet or Ranger oil wells?

Mr. BRITT. No, sir; they buy the land from the people, and in some cases—I know that the Huasteca has given them royalties from the production.

The CHAIRMAN. I wanted to emphasize that, that the oil wells dug in that district, dug in Tampico and in that district, Tuxpam and the other districts?

Mr. BRITT. I will name the places there, Nationalize, Tlampan, Tuxpam, Panuco. All that property was purchased from private parties.

The CHAIRMAN. Just as a man here would buy a piece of land out here at Ranger or Burkburnett?

Mr. BRITT. Yes, sir; absolutely.

The CHAIRMAN. And the Mexican Government had nothing more to do with it than the National Government at Washington, as at Burkburnett?

Mr. BRITT. Nothing more.

The CHAIRMAN. Then the oil properties in Tampico would be as though the National Government at Washington would take away from the people the titles to the oil wells at Burkburnett and Ranger?

Mr. BRITT. It means confiscation of their property.

The CHAIRMAN. Exactly, just as I say, if Mr. Wilson issued a decree that the people did not own the lands at Ranger or Burkburnett, that they belonged to the National Government, and that the people did not have any title?

Mr. BRITT. Yes, sir.

The CHAIRMAN. That is the condition now?

Mr. BRITT. Yes, sir.

Senator SMITH. The assumption has gone out also that the United States—holdings of the individual citizen of the United States, his holdings not only in oil but in many of the great holdings that the American has in Mexico, that that has been done through bribery and corruption of Mexican authority to the great detriment of the Mexican people. That has been done, as I say, through the bribery and corruption of money in America to the injury of Mexico. Your statement is that, on the contrary, instead of dealing with the Government in these concessions at all that the purchases are from the individual owners of the property directly, and that the Government had, if it ever had any interest, already disposed of it?

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Mr. BRITT. These properties have been granted from Maximilian down to themselves, and the Mexican Government has no more control, outside of collecting the taxes, than our National Government.

The CHAIRMAN. Then, if under the organization of the Republic of Texas, and under its agreement with the United States by which it came in as a State of the Union, retaining its own lands, the State of Texas has granted in Burkburnett, or Ranger, or any other oil field a title to an individual, and that title had been acquired, or a part of it, by a Mexican who was a citizen of Mexico to-day, and the United States Government, or the National Government, would undertake to take his property away from him, the Mexican Government would have exactly the same right to object that the American Government has to the same course of procedure by the Mexican Government in Tampico, Tuxpam, Panuco, or any other field?

Mr. BRITT. Yes, sir. You see, Senator, all of the companies have their men; these men speak Spanish. They go down—pioneer down—through these countries, notify the owners of all the properties, and there is a civil record kept at Tuxpam. That civil record is examined, the family tree is perfected, and then the money is turned over.

The CHAIRMAN. The same as you would here?

Mr. BRITT. Yes, sir; you make an examination of the title.

The CHAIRMAN. Now, we hear a great deal about concessions—oil concessions—and the impression seems to be somewhat prevalent in the United States that the Americans are down there under a concession from the Mexican Government, and therefore they are amenable to the national laws of Mexico as to their oil lands. Now, I ask you whether they had acquired their titles to the oil lands from the private owners or from the Mexican Government?

Mr. BRITT. They acquire them from the private owners.

The CHAIRMAN. What does a concession of an oil well mean, if you know?

Mr. BRITT. A concession of an oil well means he has the privilege to go in there and drill.

The CHAIRMAN. And, under the decree of Carranza, that is exactly what our oil men have been objecting to; that is, that they, owning their titles, they should not be subjected to a national law under which they are required to renounce their titles. You are familiar with that decree?

Mr. BRITT. Yes, sir.

The CHAIRMAN. And that the Mexican Government, by a decree of President Carranza—not by an act of Congress, but by a decree of President Carranza—have stated that the Americans who desire to drill on their own lands must first—having private title belonging to them—that they must first apply to the Carranza government to drill their well; not under the police authority, such as the State of Texas has an absolute right to make; of course, under the general police authority, the State of Texas would have a perfect right to say you must, before drilling your well on your own property, file a statement and show you are drilling within certain boundaries; but, instead of doing that, the Mexican Government has required the American to say that they surrender all our

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title, that you bought and paid for, and that, unless you file a quit-claim to the Mexican Government, you are not permitted to drill?

Mr. BRITT. Every title down there is an absolute bona fide purchase from the individual and not from the Mexican Government.

The CHAIRMAN. And that is the decree the Americans refused to abide by?

Mr. BRITT. Yes, sir.

The CHAIRMAN. They won't surrender their titles to their lands for the purpose of getting this police permit?

Mr. BRITT. Yes, sir.

The CHAIRMAN. And the Government says they shall not drill wells unless they surrender or unless they give a quit claim to their lands?

Mr. BRITT. Yes, sir.

The CHAIRMAN. And the United States Government has said to the Americans who own these lands, "You need not file any such title. We will stand by you"?

Mr. BRITT. Well; they should stand by them.

The CHAIRMAN. Well, they said they would. It needs to be seen whether they will. Now, as I understand, what is meant by concession, where such term is properly used, you need no concession under the law of 1910 or all laws prior to that, for the digging of a well. You can go and dig it just as any other citizen here in San Antonio.

Mr. BRITT. Yes, sir.

The CHAIRMAN. Complying with the police regulations of the city, you can go and dig it, but if you want a right of way across your neighbor's property for a pipe line, that is public business, a public matter, and that is a question of eminent domain?

Mr. BRITT. Yes, sir.

The CHAIRMAN. And the State of Texas exercises eminent domain, but the individual can not?

Mr. BRITT. Yes, sir.

The CHAIRMAN. Therefore, if you want to exercise eminent domain for a right of way for a pipe line or otherwise across your neighbor's property, you must get that from the State of Texas. Now, that is what the concession is from the Republic of Mexico?

Mr. BRITT. Down there the Huasteca, they have a big right of way there, but they purchased every bit of their right of way from those individual lands.

The CHAIRMAN. Yes; I know that you are correct entirely; that was years ago when they went in there and got an invitation from Mr. Diaz.

Mr. BRITT. Yes; they were invited down there.

The CHAIRMAN. But what I want to emphasize is that what you call a concession, that strikes our American people as a special privilege, is the right of eminent domain?

Mr. BRITT. Yes, sir.

The CHAIRMAN. And there is no concession required to enable you to drill a well?

Mr. BRITT. No concession from the Mexican Government.

The CHAIRMAN. Is there any land in the Republic of Mexico owned under any concession, or is it owned under the laws of Mexico as we acquire land in Texas or anywhere else?

Mr. BRITT. Exactly the same.

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The CHAIRMAN. We own it, but if we want to introduce mining machinery free of duty we ask them for a concession, and we agree that we will do certain developments.

Mr. BRITT. Yes, sir; but you never can get it.

The CHAIRMAN. But that is the only concession you can get?

Mr. BRITT. Yes, sir.

The CHAIRMAN. A concession is what is known here, in other words, in the city of San Antonio, as a franchise?

Mr. BRITT. Yes, sir.

The CHAIRMAN. As for a street railway or electric-light plant?

Mr. BRITT. Yes, sir.

The CHAIRMAN. In Mexico we call it a concession; in San Antonio we call it a franchise?

Mr. BRITT. Yes, sir.

Senator SMITH. You get your property from the individual owner and you get your concession from the State?

Mr. BRITT. Yes, sir. Another outrage that was perpetrated that skipped my mind was Mr. Porter. The Mexicans claim that he was on a hunting trip, but he had some money in his pocket, and on this hunting trip he must have lost the money that was in his pocket.

The CHAIRMAN. What became of Porter?

Mr. BRITT. He was only shot in the back, that was all.

The CHAIRMAN. When was that?

Mr. BRITT. Recently.

The CHAIRMAN. Who was he—only an American?

Mr. BRITT. He was only an American down there.

The CHAIRMAN. He was not even a Texan?

Mr. BRITT. I believe he was from Texas.

The CHAIRMAN. Is that so?

Mr. BRITT. I believe he was from Texas, Tom Porter.

The CHAIRMAN. Shot where?

Mr. BRITT. Alamo.

The CHAIRMAN. What district?

Mr. BRITT. Carranza district.

The CHAIRMAN. Inside the Tampico district, Tamaulipas?

Mr. BRITT. Yes, sir.

The CHAIRMAN. Very recently?

Mr. BRITT. Right recently. Right after James Wallace was killed. I have some statistics on the number of Americans killed in the Tampico oil district; I think something like 168, and there has never been a one of those culprits brought to justice. They will say as to Mr. Bowles and Mr. Rooney, that they were brought to justice, but they were not.

The CHAIRMAN. The line of Tamaulipas, from Vera Cruz to Tamaulipas, runs through the oil district?

Mr. BRITT. Yes, sir.

The CHAIRMAN. When you say Porter was killed in Tamaulipas, you mean over the line in Vera Cruz?

Mr. BRITT. Yes, sir.

Senator SMITH. You know nothing personally of Mr. Porter's death?

Mr. BRITT. Personally nothing, only that the papers say that he was on a hunting trip, and that he had gone down through the fields

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there, and it seems strange that the money was missing, and he was with some Americans.

The CHAIRMAN. That is likely to happen. You spoke of the number of Americans killed in the oil district. You say 160 odd?

Mr. BRITT. That is only hearsay.

Senator SMITH. I mean, how did you get on the line of finding out?

Mr. BRITT. Well, one of the men that has been down there a number of years kept tally, and he has been there 22 years, I think.

The CHAIRMAN. Well, the American consul has a list of them.

Mr. BRITT. Well, he ought to have a list of them all. Miller and Dawson, and I think the man who is down there that could give a great deal of information would be Irby Swift, who is secretary of the chamber of commerce.

The CHAIRMAN. Is the American Legion going to get out of there on the statement of Luis Cabrera?

Mr. BRITT. Well, we won't get out if the United States Government stands behind us. We will fire the first shot.

The CHAIRMAN. How many Mexican citizens belong to the American Legion at Tampico, if you know?

Mr. BRITT. There is four—three or four, and they have been placed under arrest, I understand. I am not positive about that, because we had the meeting on Tuesday night and I left on Thursday, and this article came out Wednesday.

The CHAIRMAN. They served with the American Expeditionary Forces across?

Mr. BRITT. Yes, sir.

The CHAIRMAN. Four Mexican citizens?

Mr. BRITT. Yes, sir.

The CHAIRMAN. You understand they have been arrested?

Mr. BRITT. Yes, sir.

The CHAIRMAN. Is the American Legion at Tampico looking after their interest?

Mr. BRITT. Yes, sir; we have the commander of our post, Capt. T. Lee Miller, who served, I think, 24 months across in France, and one of the bravest little fellows that put on an American uniform.

The CHAIRMAN. That is all, Mr. Britt, and thank you very much.

TESTIMONY OF F. M. McBEE.

(The witness was duly sworn by Dan M. Jackson, Esq., duly authorized thereto by order of the subcommittee.)

The CHAIRMAN. Give your name to the stenographer there, please.

Mr. McBEE. F. M. McBee.

The CHAIRMAN. Where do you live?

Mr. McBEE. Del Rio.

The CHAIRMAN. You are a citizen of the United States of America?

Mr. McBEE. Yes, sir.

The CHAIRMAN. How did you become a citizen?

Mr. McBEE. I was born in the United States.

The CHAIRMAN. Where?

Mr. McBEE. Tennessee.

The CHAIRMAN. Tennessee?

Mr. McBEE. Yes, sir.

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The CHAIRMAN. Where have you lived since your birth?

Mr McBEE. I have lived in Texas 60 years.

The CHAIRMAN Texas, this State?

Mr. McBEE. My father moved to Texas in the spring of 1860.

The CHAIRMAN. Have you been interested at any time within recent years in the Republic of Mexico?

Mr. McBEE. Yes, sir.

The CHAIRMAN. Where, Mr. McBee?

Mr. McBEE. Me and my son have rented a pasture 20 miles from Las Vacas—or Del Rio, a little down, right across.

The CHAIRMAN. You rented a pasture? What did you use it for?

Mr. McBEE. To put cattle and goats on.

The CHAIRMAN. How many cattle?

Mr. McBEE. We bought 500 cows and calves and about——

The CHAIRMAN. And goats?

Mr. McBEE. About a thousand goats

The CHAIRMAN. When was that?

Mr. McBEE. In 1915.

The CHAIRMAN. Where did you buy this stock that you placed there?

Mr. McBEE. We bought the cattle at the Jasoleco Ranch, about a hundred miles south.

The CHAIRMAN. In Mexico?

Mr. McBEE. In Mexico; yes, sir.

The CHAIRMAN. That was in what year?

Mr. McBEE. In 1915.

The CHAIRMAN. Are you still in business there?

Mr. McBEE. No, sir; we stayed there until 1917, and came out with what we had left.

The CHAIRMAN. Why did you come out?

Mr. McBEE. Well, they was stealing them all from us.

The CHAIRMAN. Stealing them out of your pasture?

Mr. McBEE. Yes, sir.

The CHAIRMAN. How were they stealing them? Just like the cowboys in Texas would, or how?

Mr. McBEE. They came there at nights and ran them off; I didn't see the trail, my man that was working for me would see the trail. All during 1915 old Gen. Burronego had charge of the place there; he was a good man, and told us: "Don't be afraid, you will not lose a cow or nothing," and we felt safe; but he was ordered to Saltillo to take the place of the governor when he was electioneering and right away after he left they began to steal our cattle.

The CHAIRMAN. Who?

Mr. McBEE. The Mexicans—somebody. Then we complained to the captain there—that was there in Las Vacas—and he sent us a kind of escort out there.

The CHAIRMAN. Whom did he represent?

Mr. McBEE. Carranza. And he sent us four or five men in our camp, and we had to feed them.

The CHAIRMAN. Who fed them?

Mr. McBEE. I did; and they struck the trail of those cattle and would follow them until they got outside of the pasture, and, of course, this is what my man told me, I wasn't there, and when the trail would get fresh they would stop and squench their shoulders up a little and say, "No tiene permiso." I guess you know what that

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means—they didn't have any permission. This man Fernando Elizondo, who was possibly with my boys, advised my son not to stand there. "You will be killed the first time you ride upon a bunch of these fellows that are taking these cattle; you will be killed, because they are armed and you are not allowed to take arms."

The CHAIRMAN. Were you allowed to have arms there for your protection?

Mr. McBEE. No.

Senator SMITH. Were you allowed to have arms?

Mr. McBEE. They notified us we couldn't take arms.

The CHAIRMAN. Suppose you should arrive at the border with a Winchester and a six-shooter, could you take them across?

Mr. McBEE. No, sir.

The CHAIRMAN. Who stopped you?

Mr. McBEE. They stopped you on the other side then, but on this side now.

The CHAIRMAN. Who stops you on this side?

Mr. McBEE. I don't know; I never tried it; but they say they wouldn't let you take a gun from here over to the other side now.

The CHAIRMAN. Who were they?

Mr. McBEE. I reckon that is what is called the river guards, the old river guards.

The CHAIRMAN. How much did you lose, Mr. McBee, in your cattle investment?

Mr. McBEE. We kept on trying to get them out; they wouldn't allow us to bring them out, but finally we got them to let us bring out what we had left, and we brought on this side 330 head and had to pay them $10 a head in order to get them over.

The CHAIRMAN. What year was that?

Mr. McBEE. In 1917, in the fall.

The CHAIRMAN. You bought them in 1915?

Mr. McBEE. Yes, sir.

The CHAIRMAN. Cows and calves?

Mr. McBEE. Yes, sir.

The CHAIRMAN. What ought you to have had?

Mr. McBEE. Well, I don't know, I never figured only just what I bought. I figured up then, I ought to have had an increase, but that is all I ever figured.

The CHAIRMAN. You got less than you bought?

Mr. McBEE. I got about 700 less; I got 330 and I had about a thousand.

The CHAIRMAN. What about your goats?

Mr. McBEE. We never did keep right with tab of what they took from us, but the man in charge of the goats, the man came just as they had killed a herder, told us he had got 400 out of the pasture, and had went to Musquiz. We never could get anybody to go with us, we couldn't follow him ourselves, and we couldn't get anybody to help us.

The CHAIRMAN. Do you know whether $10 a head duty is the regular duty on cattle or not?

Mr. McBEE. No, sir; I don't.

The CHAIRMAN. You don't know whether it was at that time?

Mr. McBEE. No; that was the duty, so they said.

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The CHAIRMAN. Do you know whether or not any Americans on this side had any special permits entitling them or authorizing them to bring cattle over here for less than that sum?

Mr. McBEE. No.

The CHAIRMAN. If they did, you were not fortunate enough to stand in with them?

Mr. McBEE. No; I know it looked to me like they just fixed the price after that to suit themselves, and got you in that kind of a shape—of course, that was giving one-third of the cattle away, and I thought I'd better get over with something than nothing.

The CHAIRMAN. Did you get over with your saddle horses?

Mr. McBEE. No; they gave them back.

The CHAIRMAN. Who gave them back?

Mr. McBEE. The Mexicans wouldn't allow us to bring them over.

The CHAIRMAN. The officials in Mexico?

Mr. McBEE. Yes; I had about 15; I have 35 over there and I got out 20 of them—crossed them over at night. I smuggled them over or they would have got away with them all.

The CHAIRMAN. How long have you lived in Texas, did you say?

Mr. McBEE. Sixty years.

The CHAIRMAN. You only got 20 over?

Mr. McBEE. Yes; 20. I had to have some left, you know, to work the cattle and drive them out of there, but I had 20 good ones, you know. I was either going to lose them—they kept stealing them on me; I got out 20 of the top ones and swam them across the river—son and I.

The CHAIRMAN. You didn't pay any duty on them?

Mr. McBEE. No.

The CHAIRMAN. Ain't you afraid you are going to have to pay that duty?

Mr. McBEE. I might. I noticed on this side, to come out right on the bank, we were going to make an effort to get over with 20 of our saddle horses; the river guards were standing there and they saw they were horses I raised on this side.

The CHAIRMAN. We are needing the revenue; we will have to look into that, I guess.

Mr. McBEE. I guess so; maybe you will get the Government to make me, by getting the Mexican Government. If you ever get anything out of them you will be a dandy.

The CHAIRMAN. How about you—you live here in San Antonio, Mr. McBee?

Mr. McBEE. No, sir; I live in Del Rio. I only ranch 40 miles north of Del Rio, and I live there; I have got my home there.

The CHAIRMAN. When did you come from Mexico?

Mr. McBEE. In 1917; but I go over there once in a while.

The CHAIRMAN. Still have business over there?

Mr. McBEE. Not particularly, only I—[laughter]—I never go over there to get a drink, but I never fail to get one when I go.

The CHAIRMAN. Just go over there to kind of get even?

Mr. McBEE. Yes.

The CHAIRMAN. When did you surrender your lease on this land?

Mr. McBEE. I leased it from—well, right from the one I got my cattle; we had it about three years.

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The CHAIRMAN. Just leased it to you from year to year?

Mr. McBEE. Yes, sir; by the year.

The CHAIRMAN. Then he was removed and somebody else was put there in charge?

Mr. McBEE. Yes. Now, right on this same ground where I had these cattle is where two young men were killed—Sellers and Sharp.

The CHAIRMAN. Who were they representing?

Mr. McBEE. After I moved out of there Mr. Weathersby put some cattle there, then he put this Mr. Sharp to assist the boss, and he hired this Mexican that was my man to work with him, and then Mr. Sellers, was a neighbor, sent his son over there with two flocks of sheep. It was mighty dry and bad and they stayed around together for company's sake, and this man was the first man I ever spoke to—this man Fernando Elizondo—was the first man that I spoke to that told me he was gone; he ran up to me and says: "Mr. Mac, Sharp and Sellers's boys are missing. I have hunted for them four or five days and I know they are killed," and then I got a bunch and went over there and got them out of a cave.

The CHAIRMAN. Who went over there?

Mr. McBEE. Mr. Sharp, father of one of the boys, and some of the Sellers, brothers to the boy that was in there; oh, there was a good many over there.

The CHAIRMAN. That is, from Texas?

Mr. McBEE. Yes; from Del Rio, I think, Mr. Weathersby, maybe.

The CHAIRMAN. You found the boys?

Mr. McBEE. Yes; we were out there, and we knew where this cave was, or had an idea where it was, and they went to camp there. They hunted and hunted for this camp, for this cave, and it was just like an old well hole in the ground, and they finally gave it up; said they couldn't find them. And the next morning they sent the Mexican boy out to hunt the horses—that is the way they tell me—I know, because I questioned them closely about it; I was going to the funeral of both of the boys. They said the boy came running back and said, "I've found the cave." He said he got close to the cave and smelled something, and he went and threw something dry in there to see if he could see something. He caught this Sellers boy on a cliff about 20 feet; it burned his legs.

The CHAIRMAN. How old was this boy?

Mr. McBEE. About 21, the Sharp boy.

The CHAIRMAN. Did he live in Texas?

Mr. McBEE. Yes, he lived right there; his father and brother lived there in Valverde County. Now Sharp missed this table and fell on about 100 feet, his father told me. I think he gave $15 or $20 for a rope, and gave a Mexican $20 to go down and put him on a piece of canvas and tie him up and bring his remains out. He had been dragged to death, from all appearances; they put the rope around his neck and half hitched it in his mouth and dragged him to death. He didn't have any gunshot wounds, they could see where it had dragged him; then they hung him over this cliff and cut the rope off, and there was 2 or 3 feet left.

The CHAIRMAN. The other boy?

Mr. McBEE. He had been shot.

The CHAIRMAN. What were these men doing over there; these men and boys?

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Mr. McBee. Sharp was working for Mr. Weathersby, for these cattle, and the Sellers boys was taking care of his own sheep. They were on the same ranch, and they were staying together for company's sake.

The Chairman. They were attending to their business, representing their employers?

Mr. McBee. Yes. I am satisfied there has never been a man arrested for none of it, it has always been the opinion of all of us there, there is no sensible person in that country that don't know who done it. After we got over there, there was a Mexican—he was an officer that belonged to the Carranza Government—he got in pretty bad and they had run him out of there and run him across the river—he was raised in Del Rio and talked good English, and me and my son was good friends, he liked us; he said, "If you will intercede for me and have me pardoned I will guarantee to take care of your interests," and I thought that was about right and I told him we would talk about it. We talked to Gen. Neda about it, and he said, "Yes, if you will come back and do what you promised we will pardon you," and he came back and was a colonel, from the best information we have always got from men that worked over there, they were afraid to tell. He was the head of the bunch that killed these two boys; was the main man that done all of the stealing from me, and Juan Quiroz was his lieutenant, he was "Juez de Campo," I don't know what that is; that was an officer in the Carranza army, and we believe and have been told since he was identified.

The Chairman. There has been nobody punished in the matter.

Mr. McBee. Oh, no.

The Chairman. There has been no attempt so far as you know to apprehend or punish any one in the matter?

Mr. McBee. No; not a bit in the world. Now, right by the side of me the Rangers had to fight off a lot of smugglers one night and fired about 15 or 20 shots.

The Chairman. The Texas Rangers, you are talking about?

Mr. McBee. Yes: Capt. Borler. The next morning I went down there, and the people that was doing the smuggling had jumped in the river and made their escape. They shot at them 15 or 20 times; I don't know whether they shot any of them or not, but they captured their mules, loaded with hides. I went back down town and we unloaded those mules and took those hides off, and there was seven skinned hides, right fresh.

The Chairman. None of them were yours?

Mr. McBee. No. Mr. Weathersby was standing there and he sent over to Las Vegas to get this little captain. I took him over to one side and I said, "Do you think you will get anything out of that gentleman?" I said, "I will bet you anything he has eaten some of that meat?" Why, they fed the soldiers on them; you could see them hanging in the camps and everywhere. I said, "These soldiers are eating our cattle." That was it; there was seven fresh hides there and they never arrested a soul for it, not a soul; I told Mr. Weathersby I was going to have him brought down here, and I want you to bring them all and make them tell all they know.

The Chairman. He is still doing business in Mexico?

Mr. McBee. Yes; has got lots of stuff there. He said he wouldn't like to volunteer because he has gots lot of stuff in Mexico, but you

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bring him here and he will tell it. And William Gurley—in regard to my own part of it, I don't care who knows it.

The CHAIRMAN. Looking at you, I would think that.

Mr. McBEE. You bet.

The CHAIRMAN. All right, Mr. McBee; very much obliged to you.

Mr. McBEE. I feel just this way: If the Government has done enough to send an investigating committee here I think the people who know these things ought to come.

The CHAIRMAN. That is all we are here for; is to get the truth as nearly as we can get it.

Mr. McBEE. We have been treated worse—now the people of this country know how we have been treated. Capt. Davis—do you know Capt. Davis?

The CHAIRMAN. Yes.

Mr. McBEE. He said he was going to come.

The CHAIRMAN. All right, sir; very much obliged.

The CHAIRMAN. Gentleman, we are going to have an executive session for a few moments, and we will have to ask the audience to let us have the room, and the newspaper men.

Thereupon at 4.15 o'clock p. m., the room was cleared of every one but the members of the commission and attachés and official reporters, whereupon the following testimony was taken in executive session.

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INVESTIGATION OF MEXICAN AFFAIRS.

THURSDAY, JANUARY 15, 1920.

UNITED STATES SENATE,
SUBCOMMITTEE OF COMMITTEE ON FOREIGN RELATIONS.

The subcommittee met, pursuant to adjournment, at 11.15 o'clock a. m. in the pink room of the Gunter Hotel, San Antonio, Tex.

Present: Senators Fall (chairman) and Smith. Dan M. Jackson, Esq., clerk of the subcommittee.

The CHAIRMAN. The committee will come to order. Mr. Secretary, I hand you a telegram there, which you will read into the record. [Handing telegram to Mr. Jackson.]

Mr. JACKSON. This is a cablegram by way of Galveston, dated Mexico DF 14 [reading]:

Senator ALBERT B. FALL,
San Antonio, Tex.:

I confirm and renew invitation sent you through Mr. McCullough to come to Mexico and look into the real situation of our country. Instead of looking into the Mexican situation through the keyhole of the door of an official investigation, distorted by the lenses of prejudices and biased by specially interested parties, come to Mexico and see how our country is living and fighting her way to reconstruction through all sorts of obstacles, both internal and external. As a Mexican, I can not accept that the Senate of the United States has power to investigate the domestic affairs of Mexico, because that would mean a right to interfere with our own private affairs, but any straight, clean-minded, well-meaning American may know Mexico as it is. Although you are not considered very friendly to our country, Mr. Fall—not Senator Fall—will be welcomed at the border, either in Laredo or Ciudad Juarez, with pleasure, and we will place special car at your disposal so that you may visit any part of Mexico you desire. Awaiting your reply, I am,

Courteously, yours,

LUIS CABRERA.

The CHAIRMAN. Mr. Reporter, read into the record the personal answer to this telegram which I have just dictated.

(The reporter thereupon read into the record the following telegram:)

HON. LUIS CABRERA,
Mexico City, Mexico DF.

Acknowledging your exceedingly courteous cablegram of yesterday I assure you that I understand fully and appreciate sincerely not only the words but the spirit in which the same were sent. I assure you personally that I will engage in no official or personal investigation of the Mexican situation through the key hole of a door distorted by the lenses of prejudices or by influence of specially interested parties. I am confident that the American Congress and the American people are interested in Mexico and its conditions and have ordered an investigation of same because of a friendly neighborly feeling of interest for our nearest national neighbors and because of the very material interests of our American citizens who have been assisting in the development of Mexico's resources and who have been entirely responsible for increasing the remuneration of the Mexican workmen in Mexico to my personal knowledge in the amount of not less than five hundred to three thousand per cent within the last thirty years. The American people are only interested for the above reasons in the domestic affairs of Mexico. Person-

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ally I appreciate the fact that if I visited Mexico I would be received with the extremes of courtesy by yourself and associates. I also realize, of course, as you do, that if I sought to visit sections of your country not guarded by your Federal troops I would subject myself to your criticism and that of at least some other Mexicans upon the ground that I was in communication with those opposed to your and the Carranza administration.

I have no doubt that documentary evidence would be readily found and telegraphed to this country as well as throughout Mexico to the effect that a number of the Congressional Committee of the United States was holding communication with opponents of a Government recognized by this country. And yet you, of course, appreciate that should I visit Mexico as your guest I would be precluded from investigating any complaints of your own people against the Government with which you are connected.

I regret that under the Constitution and laws of the United States no official of this Government can extend to you the reciprocal courtesy of a special train as governmental funds here are used for governmental purposes. I regret that my personal means will not permit the expense of a special train to be placed at your disposition should you come here, but I assure you both, personally and officially, that should you desire to consult this committee I will arrange for paid transportation for you from any border point to any point in the United States and that the committee and myself personally will be delighted to welcome you at any time.

Gratefully, yours,

ALBERT B. FALL.

The CHAIRMAN. That is to be signed by me personally and charged to my personal account.

TESTIMONY OF MRS. MARY WRIGHT.

(The witness was duly sworn by Dan M. Jackson, Esq., clerk of the subcommittee, duly authorized thereto.)

The CHAIRMAN. Mrs. Wright, where do you live?

Mrs. WRIGHT. In San Antonio.

The CHAIRMAN. Are you a citizen of the United States?

Mrs. WRIGHT. Yes, sir; born and raised near Austin, Tex.

The CHAIRMAN. How long have you been living here?

Mrs. WRIGHT. Well, this last time, seven years.

The CHAIRMAN. In San Antonio?

Mrs. WRIGHT. Yes, sir.

The CHAIRMAN. Where did you come from to San Antonio?

Mrs. WRIGHT. I came from Mexico.

The CHAIRMAN. What portion of Mexico?

Mrs. WRIGHT. In the southern part of San Luis Potosi.

The CHAIRMAN. In the State or the city of San Luis Potosi?

Mrs. WRIGHT. In the State.

The CHAIRMAN. In the State of San Luis Potosi, about seven years ago?

Mrs. WRIGHT. Yes, sir; in the State of San Luis Potosi, about seven years ago.

The CHAIRMAN. You can just state in your own words, Mrs. Wright, anything which you desire to communicate to the committee, and through it to the American people, with reference to your experiences in Mexico.

Mrs. WRIGHT. Thank you. Well, Senators and citizens, as I sit here to-day, fond memory brings the light of other days about me. When I remember all my friends in Mexico, so linked together, I have seen them fall like leaves in wintry weather. Some are dead and some are gone, and some are here to-day to tell it all. Thus I

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am here to tell of my experiences and my family's experiences of seven years in Mexico. Well, in 1918, my husband, Mr. Wright, myself, and three daughters left Austin, Tex., for the southern part of San Luis Potosi.

The CHAIRMAN. Was that your first visit—in 1918?

Mrs. WRIGHT. In 1908.

The CHAIRMAN. 1908? I misunderstood you.

Mrs. WRIGHT. Yes, sir. I would like, at the start, to present these photographs of my three daughters, who accompanied me, and two of them had the same experience that I wish to give. (The witness handed photographs to the chairman.) We went in this—we bought the land, 500 acres, in the southern part of San Luis Potosi, a rich valley. On the east of this valley was a mountain a thousand feet high, on the west a smaller; at the foot of this mountain lay a beautiful crystal stream, the El Salto River; this valley, however, is the El Salto Valley. On the banks of this beautiful river we established and founded that beautiful realm called "home." There we employed hundreds of peons, and proceeded—but, by the way, I am a little ahead of my story. As I went in I took stock—cows, hogs, implements—modern implements and everything to begin business right in the spring, so that would be ours—and began to clear and improve and plant this wonderfully rich land; by the way, this country abounded with wonderful fruits—oranges and lemons and many other of the smaller fruits the whole year round came up in plenty. We could hear the roar of the lion, the scream of the tiger and the wildcat, and it was a country of splendor. So you can see I was beginning to live, it seemed good. For three years we labored earnestly, willingly—of course, enduring some hardships, as this country is not all paradisiacal, but I can say it was as near so as any country I have ever lived in. This beautiful valley——

The CHAIRMAN. Pardon me just a moment. You lived there for three years, did you?

Mrs. WRIGHT. For five.

The CHAIRMAN. At that time?

Mrs. WRIGHT. Five years; yes, sir.

The CHAIRMAN. Well, at the expiration of the third year, or three years, were the conditions in Mexico and in your neighborhood different from those that existed when you went there?

Mrs. WRIGHT. Yes, sir. At the end of three years we had these depredations, after Madero was killed—of course, in certain parts of Mexico, why, we would hear of these bandits and these little roving bands that would come—of course, at that time we were safe; we had never been visited by them, and yet they were approaching, and there would be a few scattering men that would come in and ride around a little bit, but yet we had not suffered any losses whatever.

The CHAIRMAN. These men that you speak of were in opposition to the Madero government?

Mrs. WRIGHT. Well, seemingly. That would be a hard question to answer.

The CHAIRMAN. Well, who were their leaders, Mrs. Wright?

Mrs. WRIGHT. Well, they claimed to be revolutionists. Who their leaders were I don't know.

The CHAIRMAN. Were they under the leadership of the Cedillos brothers, or any of those?

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Mrs. WRIGHT. No, sir; not at that time; really they called themselves "capitans"—just called themselves revolutionaries.

The CHAIRMAN. Did they visit your ranch at any time?

Mrs. WRIGHT. Many times; yes, sir; many times.

The CHAIRMAN. In what year was it?

Mrs. WRIGHT. Well, 1916.

The CHAIRMAN. How did they conduct themselves?

Mrs. WRIGHT. Well, the first raid they made there was a band of men; I suppose 90 to 80 of men, that were considered the ruffiians—the bad men of the peon class.

The CHAIRMAN. Was your family at home?

Mrs. WRIGHT. Yes, sir.

The CHAIRMAN. With you at that time?

Mrs. WRIGHT. My family—my two daughters and my husband.

The CHAIRMAN. Your husband and two daughters?

Mrs. WRIGHT. Yes, sir. On this first raid they made they came with about 14 or 15 men, came in, demanded money—demanded first arms and ammuniton. They took what we had.

The CHAIRMAN. Did you have arms and ammunition?

Mrs. WRIGHT. Yes, sir; we had some revolvers and a few guns.

The CHAIRMAN. They took them, did they?

Mrs. WRIGHT. Yes, sir; all except one, a revolver that I had hidden myself. And they demanded that we open our store—we furnished our peons everything from food to clothing—and they took what they chose and destroyed a good deal of stuff in the way of glass.

The CHAIRMAN. Did they pay for what they took?

Mrs. WRIGHT. No, sir.

The CHAIRMAN. Did they give you receipts for it?

Mrs. WRIGHT. Never.

The CHAIRMAN. Did they say how they took it, whether it was under the cloak of impressing it for governmental purposes, or did they explain?

Mrs. WRIGHT. They made no explanation, none—they took it and walked out.

The CHAIRMAN. How long before your place was raided again.

Mrs. WRIGHT. It was raided then on May 28—it was—in the mean time they were taking off all the women and all the girls, Americans, and Mexicans as well, carrying them off; so we, to protect ourselves, we hid in the cane night after night, many nights, and would feel—we never knew when we were going to sleep at home, but we had provisions enough. Sometimes, of course, when they came into these haciendas they stayed, they camped as long as there was anything to eat or to wear or destroy; so that was the life we led about six months—no, for six weeks; and then this last raid, they seemed to have discovered us; they came into our home several times and searched for us, for myself and our daughters, and this last raid is something I would like to picture in your mind, to describe, if you will let me and allow me any time.

The CHAIRMAN. Just as briefly as you can.

Mrs. WRIGHT. Yes, sir. Anyway, they came with an army through there, with a captain, head man, they were coming, bringing from 50 to 60 men; it was a dark night; we took ourselves to the cane field as usual; they were going to burn the cane, set the cane afire to burn us out and capture us; that was the last ray of hope we had of

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escape; they discovered our hiding place, so there we stayed in suspense for hours. They came into our home—my husband was a very sick man alone; they destroyed our telephone; they demanded money; they demanded that he pay them so many pesos in so many days; tried to hold him for ransom; they helped themselves to any thing they wanted in the house, in the store, and went down into our camp—our Mexican camp—where we had fed hundreds of employees; demanded that so many go with them; if they refused it was death—they shot two dead—and I believe at this time took off 10 of our best men. And then after that there were raids frequently, off and on, every week, sometimes two weeks. All this time my husband was cut off from medical aid—the roads were cut off; they were destroyed; we had no provisions, only what we had hid in the banks of the river, for over two months, yet we were fortunate enough to have them; and the roads being torn up, he was cut off from medical aid and doctor and physician.

The CHAIRMAN. How far were you from the nearest town?

Mrs. WRIGHT. We were from Valles about 18 miles.

The CHAIRMAN. Were there any governmental or Federal troops anywhere, at Valles or in the neighborhood?

Mrs. WRIGHT. Yes, sir.

The CHAIRMAN. Did you call for protection upon those troops or upon any official at any time?

Mrs. WRIGHT. On our first raid we called upon the governor of San Luis Potosi for protection, and his answer was, "We can not protect ourselves. Do the best you can." We never had any protection from the Mexican Government or from our own Government—we were told we couldn't have, and if we saw conditions were too bad, to get out.

The CHAIRMAN. That is, you were told by the American Government to get out?

Mrs. WRIGHT. Yes, sir; that was all the protection we ever had in Mexico.

The CHAIRMAN. Did the Mexican officials tell you to get out?

Mrs. WRIGHT. No, sir; we finally made our escape. They had taken practically all of our stock, and clothing, and food, and, of course, under the conditions we were desperate. The next thing was to get out. The roads were going to pieces between Tampico, and all of the roads to San Luis Potosi. So we made our way, myself and my daughter, accompanied by two Americans, 18 miles to a daughter who lived at San Mateo, Mexico, and we went there with the hope of catching some train out to the States. We made it, but were attacked on the way but ran the gauntlet safely—they were kept off by guns and revolvers and, of course, we put our hands in our pockets——

The CHAIRMAN. Well, who used the guns and revolvers in repelling the attack

Mrs. WRIGHT. Two gentlemen friends and Americans, Mr. Speedy and Mr. Holguin. Well, we stopped for 10 days. Trains were coming occasionally, a passenger train with refugees, as many as it would hold. At last we got on a train, got into Tampico—it took two days and a night to make this trip—it usually takes nine hours to make the trip. We got in there, there wasn't standing room in the hotel;

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thousands of refugees were begging and pleading to get out anyway, as fast as they could.

The CHAIRMAN. When was this?

Mrs. WRIGHT. In June, the 25th of June, 1913. At last we got transportation and boarded a German vessel, a lumber vessel.

The CHAIRMAN. On what vessel?

Mrs. WRIGHT. Pardon me, I have forgotten the name.

The CHAIRMAN. Well, what nationality?

Mrs. WRIGHT. A German—German, German vessel—74 of us, and we arrived in Galveston after four days, a terrible storm—a terrible storm—we drifted several days, four days and three nights safely.

The CHAIRMAN. You reached Galveston?

Mrs. WRIGHT. Yes, sir; safely.

The CHAIRMAN. Did you return to Mexico at any time?

Mrs. WRIGHT. Yes, sir; after two years I went back. I sold my place—and in the meantime Mr. Wright died—sold our place to a Mexican, an intelligent Mexican.

The CHAIRMAN. Did Mr. Wright remain in Mexico when you came out?

Mrs. WRIGHT. Yes, sir; for a while; six weeks after we left he was there and very ill; he landed in New Orleans, he got out more dead than alive, he lived six days after he had arrived in Texas. After two years I went back, accompanied by my son-in-law's brother, to look after my business the best I could. Well, as I went into Mexico, into the State of Tamaulipas, they burned the bridge. We passed over it; that cut us off entirely at Tampico. I arrived at my son's home and stayed there six weeks. Two weeks prior to that time the Villistas had taken everything from Ciudad Porfirio Diaz to San Luis Potosi, down as far as Cardenas, they controlled everything; and the report was they were coming—they were coming by the thousands—and, of course, as they would go into these haciendas, they would camp there, and stay there as long as there was anything there to destroy.

The CHAIRMAN. Where were the federal troops, if any?

Mrs. WRIGHT. The federal troops? I couldn't tell you where, I don't know; we only knew of the Villista movements. Well, they came in one afternoon—I would like to tell you this little incident, while I experienced it all myself—they came, 7,000 of them; they cut the wires; they drove over 4,000 head of horses into this field——

The CHAIRMAN. You mean they cut the fence wires?

Mrs. WRIGHT. The fence wires, and they turned this stock, these horses, in themselves, that they drove in themselves, they were driving them; they turned them into these beautiful orange and fruit trees, you may say this orchard; they were like blackbirds, all over the earth, so we ran, fled, we were frightened, and attempted to get in the back of the house and go into the mountain, but the earth was simply covered with them, they were everywhere, so, therefore, we ran into the house, as my son said, "and close the doors and don't show your faces." We did so. In the meantime he had a hearing with the colonel of this company; they rode into his yard, unsaddled their horses; they demanded that he open his store; they took what they chose—they didn't leave one grain of sugar or coffee; they simply took what they got their hands on. He got them finally to come below the hill by the railroad to get them out of his yard. He also

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told him that his wife and mother-in-law were there, and he would be glad if they would protect us under the circumstances. He told him, "I will do the best I can, but in a vast army like this it is hard to control the bad man in the army. You had better get them away." How were we to get them away? The roads were cut, the bridges were burned, we were at the mercy of those demons—for they are all that, there are no good ones alive. Six weeks of holy terror we stayed in that house, and they arrested what they would call bad, very bad men. My son had about 150 men employees on the place; they impressed them. They brought eight girls there; I saw them.

The CHAIRMAN. Mexican girls?

Mrs. WRIGHT. Yes, sir; beautiful and young; 16 and 18 on up; they penned them up like they would cattle, and held them as I left there; they took as many women as they chose out of the peon—the working class—to work for them, and took them off, in fact. Then in about two weeks after the Villistas came, 8,000 more came; they planted themselves on this plantation, on this hacienda; they killed the milch cows as they drove them into the milking pen, and the little calves also. They demanded eight fat cattle every morning to be brought up to feed them, although they didn't need it—they had cars and cars lined up with corn, heaping and poured in just loosely in those box cars; they had coffee; had everything good to eat, and an abundance of everything.

The CHAIRMAN. Where did they get their supplies, if you know?

Mrs. WRIGHT. Really, I don't know. I suppose they took a great deal of it off from those haciendas; moreover, when they went out into town—or went out into the interior of the country, they took every animal, every cow, and everything—they cleaned up everything as they came down. Well, this thing was getting pretty bad—we were saved, but, of course, were uneasy. So it was reported that the Carrancistas were coming; and all the time the supposition was that we would likely be in the midst of the battle, which we were—the Carrancistas approached from the west; the Villistas were on the east; this house—this residence was in the midst of the battle for four hours; they fought like demons—or as Mexicans fight.

The CHAIRMAN. Were you at the house at the time?

Mrs. WRIGHT. We placed our safety in mattresses, and put them together and lay under the mattresses for four hours; the bullets crashed through the house, tore the furniture, split things all to thunder, and yet we escaped—we escaped without one injury. And so this fight lasted for four hours and the Villistas gained the day; the Carrancistas retreated. So we stayed there then for three weeks longer; had no means of getting out, and, of course, in suspense.

The CHAIRMAN. You received no personal injury from the hands of the——

Mrs. WRIGHT. None whatever; no, sir—none whatever. But at this time that I was at my daughter's the raids were going on at my home; they were carrying off mules, and as we ground our cane, as we made up our crops; they carried it all off—we had almost ended that season's grinding, but they took it off as we made it, and told us to go home. I made my way home through nine States, riding in box cars with greasers—Mexicans—and glad to do it, glad to come; and arrived at El Paso, Tex., more dead than alive, I must say. To-

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day my place is utter ruin; there is not a board left there; there is not anything left there; the lands have grown up into brush and trees, and the houses are gone; the furniture is gone.

The CHAIRMAN. You say you had oranges growing on the place?

Mrs. WRIGHT. We had lovely fruit of all kinds and magnificent fruit—oranges—bananas were wild—lemons.

The CHAIRMAN. What has become of the fruit orchard?

Mrs. WRIGHT. What has become of it? Well, in the first place, they cut the fences—their cattle came in and destroyed these things, and so these people couldn't care for it—at least, they cut them down and destroyed them—cut them down, and the homes were burned, while my home was never burned; a part of my crop was and my orchard and garden.

The CHAIRMAN. I suppose the weeds growing up in your orchard that the fire burned the weeds and destroyed the trees?

Mrs. WRIGHT. No, sir; I don't suppose it would; they never grew there; it was perfectly bare, as clean as this floor.

The CHAIRMAN. Well, how did they burn the orchard?

Mrs. WRIGHT. Well, they chopped the trees down and piled it dry—it would readily burn, and especially banana trees.

The CHAIRMAN. Have you ever made any claim for loss—damage?

Mrs. WRIGHT. I have just sent—a few weeks ago, a few days ago—my claims into the Secretary of State.

The CHAIRMAN. There has been no offer from the Mexican Government or authorities to remunerate you in any way for your loss?

Mrs. WRIGHT. None whatever.

The CHAIRMAN. What was the amount of the claim which you filed?

Mrs. WRIGHT. It was forty-eight thousand and some odd dollars. I have this year's loss to put in yet—I mean 1919.

The CHAIRMAN. That has been filed with the department?

Mrs. WRIGHT. Yes, sir.

The CHAIRMAN. The story which you have just repeated to us represents shortly what you desire to say to us?

Mrs. WRIGHT. Yes, sir. My experience is like a book; I would not try to tell it all. The experience of my son, who lived there 15 years, I could tell his experience, I could tell the experience of any, but that would take too long. I have told you in a little way, but I have not told you all.

The CHAIRMAN. This battle that you spoke of occurred in 1915?

Mrs. WRIGHT. 1913, June 25.

The CHAIRMAN. That was the battle between the Villistas and the Carrancistas?

Mrs. WRIGHT. Yes, sir.

The CHAIRMAN. That was prior to the recognition of Carranza by this Government?

Mrs. WRIGHT. Yes, sir, I think; yes.

The CHAIRMAN. The Villistas and the Carrancistas were then cooperating—acting together?

Mrs. WRIGHT. Yes, sir; they held that convention or met at Aguascalientes just previous to this battle.

The CHAIRMAN. This was just after the convention at Aguascalientes when the Villistas and Carrancistas split?

Mrs. WRIGHT. Yes, sir.

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The CHAIRMAN. Now, since the Villistas have been out of that portion of the country, what has been the condition since then?

Mrs. WRIGHT. It is infected with bandits. The Cedillos brothers have been very active up in that country and are still depredating and robbing and have been, and yet there is a great deal taken by what you would call, I suppose, regular bandits—they are still there.

The CHAIRMAN. The Carrancistas themselves, since this Government recognized Carranza, have not depredated upon your property?

Mrs. WRIGHT. Carrancistas?

The CHAIRMAN. Yes.

Mrs. WRIGHT. Yes, sir; they certainly have, indeed they have, they have been, I believe the Carrancistas, since I left there—I could not say this truthfully, I know the bandits have robbed and pilfered, but I know to my certain knowledge that they came into my home at one time after I left there, and one day it only cost me about $13,000 that the Carranza soldiers absolutely did.

The CHAIRMAN. Mrs. Wright, we thank you very much for the kindness, and are sorry that we have not time. It is very interesting and we would like to listen to all of your experiences.

TESTIMONY OF MRS. LOLA C. BAILEY.

(The witness was duly sworn by Dan M. Jackson, Esq., clerk of the subcommittee, duly authorized thereto.)

Mr. JACKSON. What is your name, Mrs. Bailey?

Mrs. BAILEY. Mrs. Lola C. Bailey.

The CHAIRMAN. Where do you live, Mrs. Bailey?

Mrs. BAILEY. I live here in San Antonio, 703 Austin Street.

The CHAIRMAN. Are you a citizen of the United States?

Mrs. BAILEY. Yes, sir; I am a citizen of the United States.

The CHAIRMAN. How long have you lived in San Antonio?

Mrs. BAILEY. I have lived for the better part of 9 years.

The CHAIRMAN. Where did you live before coming to San Antonio?

Mrs. BAILEY. In Valles; I came directly from Valles, Mexico, here.

The CHAIRMAN. How long did you live in Valles?

Mrs. BAILEY. Why, I had lived several years off and on. I had never lived any very long time in the city of Valles, though I was born and raised in the Republic of Mexico; my parents were Americans; they emigrated there from this State just after the Civil War, and all their family was born and raised there, and I claim American nationality on account of the fact that my father was an American citizen and my present husband being an American citizen.

The CHAIRMAN. Was your husband with you in Mexico?

Mrs. BAILEY. No, sir; we were married in 1911.

The CHAIRMAN. Your father and your family with you there?

Mrs. BAILEY. No, sir; my father and mother and most of my family had died prior to this time.

The CHAIRMAN. Who was with you in Mexico when you were living there at Valles?

Mrs. BAILEY. I had two brothers.

The CHAIRMAN. What were you doing out there?

Mrs. BAILEY. Farming. In 1909 I lost my husband; he left me a little money, and I went to Mexico, in this district, and invested it in

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property and did everything in order to improve it in a modern way; I bought modern implements and everything and started out to work my property.

The CHAIRMAN. Farming?

Mrs. BAILEY. Yes, sir; farming principally; a little cattle.

The CHAIRMAN. Were there any other Americans in that neighborhood?

Mrs. BAILEY. Yes, sir; there were quite a number of Americans.

The CHAIRMAN. What were they doing there?

Mrs. BAILEY. Principally farming.

The CHAIRMAN. Was it a colony of Americans?

Mrs. BAILEY. Why, not exactly where we were living; they were not colonized; there was a colony near us, but we did not belong to any colony.

The CHAIRMAN. What was the name of that colony?

Mrs. BAILEY. Los Platanos.

The CHAIRMAN. Approximately, how many families constituted that?

Mrs. BAILEY. I will tell you I really don't know, for at the time this was formed I was not there, and most of them had already left.

The CHAIRMAN. How many Americans were living in that neighborhood, approximately, of course?

Mrs. BAILEY. Well, I could not truthfully say that I knew; 10 or 12 families scattered throughout that district.

The CHAIRMAN. Where are they now? Do you know?

Mrs. BAILEY. They have moved out and gone to different parts of the United States; I don't know; I am not in touch with scarcely any of them now.

The CHAIRMAN. Do you know anything about the members of this colony that you spoke of; have they moved out?

Mrs. BAILEY. Yes, sir; they have moved out, mostly; they were mostly from Oklahoma, I think, and Warner was the name of the man who got up this colony, the Warner Colony, at Los Platanos.

The CHAIRMAN. Were those neighbors of yours people of wealth or——

Mrs. BAILEY. No, sir; not anything extra; no, sir. They were just people who had acquired a little money and had gone there with the illusion that most people have when they go to that place.

The CHAIRMAN. Approximately how much money did you and your family invest there?

Mrs. BAILEY. I invested $15,000, all told. That was a separate investment.

The CHAIRMAN. Was that all you had?

Mrs. BAILEY. That was all I had; that is, I invested it in the lands and improvements; not all in lands, however.

The CHAIRMAN. How much have you gotten out of it?

Mrs. BAILEY. I have not gotten a thing, only the loss—the murder of my brother and the destruction of my property, belongings.

The CHAIRMAN. When did the murder of your brother occur?

Mrs. BAILEY. Well, we call it a murder because he disappeared on his way to the United States with his wife and family on the 1st day of July, 1915.

The CHAIRMAN. What became of his family?

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Mrs. BAILEY. His family are now with me. They made their way to me, and his widow is here with me to-day.

The CHAIRMAN. You say your brother disappeared?

Mrs. BAILEY. Yes, sir; my brother disappeared. He left Valles for San Luis Potosi, and at San Luis Potosi the consul at that time gave him the means and all the necessary papers to carry him through to El Paso. They had to come up by the way of Aguascalientes owing to the fact that there was no other way of communication at that time. There he had to wait for the night train, and he went to a rooming house. In the afternoon he went out looking for a hack in order to take his family to the depot, for his wife was in very bad health and his children were too small to walk—two little boys; I had them here with me Tuesday. He went away with another man, an American who was traveling with him, a Mr. Harmon, and my brother was named Willis. They went in order to get this hack to take the family to the depot, and they were never seen or heard from from that day to this. I mention that fact on account of my brother being my manager on my ranch at a salary of $1,200 a year; he was managing my ranch at this time, and was forced to leave it on account of the conditions.

The CHAIRMAN. Where were you at that time?

Mrs. BAILEY. I was here in San Antonio with by husband. When we were married in 1911, in March, he came away from there and went to California, and went to visit his people on the way. We arrived here with the intention of going back to Mexico, but conditions were so bad we hesitated, and still hesitated, and are here yet, and in the meantime everything has been lost for the want of some one down there, and if some one had been down there they might have been lost also.

The CHAIRMAN. While you were there personally were you subjected to any indignities, or did you lose any property?

Mrs. BAILEY. Never, nothing at all up to the time that President Diaz was sent out of the country or went out of the country, up to that time we never had any trouble in any respect, we were perfectly safe, day and night, at any place.

The CHAIRMAN. After that time?

Mrs. BAILEY. Well, I did not experience it, because I came away in 1911, and had no personal experience, my knowledge comes from what has happened to my family only.

The CHAIRMAN. Your sister-in-law is here?

Mrs. BAILEY. Yes, sir; she is here.

The CHAIRMAN. She remained in Mexico with her husband, did she?

Mrs. BAILEY. Yes, sir; she remained there, they were on my ranch as my managers in Mexico, they were taking care of my property for me.

The CHAIRMAN. Have you made any claim for damage?

Mrs. BAILEY. Not yet; no, sir.

The CHAIRMAN. Do you estimate your damage as a total loss; that is, your entire investment?

Mrs. BAILEY. I estimate my damage not only the money I put into it, but what I might have gotten out of it up to this time.

The CHAIRMAN. The interest on it?

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Mrs. BAILEY. Yes, sir; interest and salary I was paying my brother and the approximate income from that property with his management, because we had two years where we got enough out of it to know what we could have gotten.

The CHAIRMAN. What was the income which you derived during those two years?

Mrs. BAILEY. It was approximately about $1,200 a year; not less than that; that was the average, because it was cane principally that they——

The CHAIRMAN. Sugar cane?

Mrs. BAILEY. Yes; sugar cane; and, of course, we know that is a source of revenue; cane is, in Mexico.

The CHAIRMAN. Do you have any other statement that you desire to make?

Mrs. BAILEY. No, sir; not particularly, unless you care to hear anything especially.

The CHAIRMAN. Thank you very much.

TESTIMONY OF MRS. FELICITAS B. WILLIS.

(The witness was duly sworn by Dan M. Jackson, Esq., clerk of the subcommittee, duly authorized thereto.)

Mrs. LOLA C. BAILEY. Senator, if you do not object, I would like to stand here by her, because her English is not very perfect.

The CHAIRMAN. Certainly. What is your name?

Mrs. WILLIS. Felicitas B. Willis.

The CHAIRMAN. You are a native of Mexico, Mrs. Willis?

Mrs. WILLIS. Yes, sir.

The CHAIRMAN. Where is your husband; do you know?

Mrs. WILLIS. I don't know.

The CHAIRMAN. When did you last see your husband?

Mrs. WILLIS. In Aguascalientes.

The CHAIRMAN. What year; do you remember?

Mrs. WILLIS. 1915.

The CHAIRMAN. Under what circumstances did you last see him?

Mrs. WILLIS. Why, they went to the depot to take us, my husband and an American, Mr. Harmon, both Americans, and they never came back.

The CHAIRMAN. You were going to take the train; were you?

Mrs. WILLIS. Yes, sir.

The CHAIRMAN. Where were you coming—coming to the United States?

Mrs. WILLIS. Coming to the United States.

The CHAIRMAN. Where were you coming from?

Mrs. WILLIS. Coming from Valles, San Luis Potosi.

The CHAIRMAN. And you got as far as Aguascalientes?

Mrs. WILLIS. Yes, sir.

The CHAIRMAN. You were going to take the train there for the United States?

Mrs. WILLIS. Yes, sir.

The CHAIRMAN. And your husband was making arrangements to take you to the depot?

Mrs. WILLIS. Yes, sir.

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The CHAIRMAN. He was in company with another American, you say?

Mrs. WILLIS. Yes, sir.

The CHAIRMAN. And you have never seen him since?

Mrs. WILLIS. No, sir.

The CHAIRMAN. Did you make any inquiry as to what became of him?

Mrs. WILLIS. Yes; I stayed in Aguascalientes six days seeking information.

The CHAIRMAN. You have never been able to hear anything of him?

Mrs. WILLIS. No, sir.

The CHAIRMAN. Did he have any money on his person when he left?

Mrs. WILLIS. Yes, sir; he had; I don't know how many dollars in change he got.

The CHAIRMAN. He had money for the expenses?

Mrs. WILLIS. About $500 in cash.

The CHAIRMAN. Why were you coming out of the State of San Luis Potosi at this time; what was the reason that you were leaving at that time; just on a visit?

Mrs. WILLIS. No; just to pass coming from Valles and Cerritos, because it was too many bandits, I came one day and stayed in Cerritos eight days, and then took the train for San Luis Potosi.

The CHAIRMAN. Then you were leaving the place where you had been living because of the disturbed conditions in Mexico?

Mrs. WILLIS. Yes, sir.

The CHAIRMAN. You were living on the ranch that belonged to Mrs. Bailey?

Mrs. WILLIS. Yes, sir.

The CHAIRMAN. She is your sister-in-law, is she?

Mrs. WILLIS. Yes, sir; she is my sister-in-law.

The CHAIRMAN. Who was in charge of that ranch, who was the manager of the ranch?

Mrs. WILLIS. My husband.

The CHAIRMAN. The brother of Mrs. Bailey?

Mrs. WILLIS. The brother of Mrs. Bailey.

The CHAIRMAN. How long had you been living with him on that ranch, approximately about how many years?

Mrs. WILLIS. Six years.

The CHAIRMAN. You say that you were leaving because of the disturbed conditions?

Mrs. WILLIS. Yes, sir.

The CHAIRMAN. In San Luis Potosi?

Mrs. WILLIS. Yes, sir.

The CHAIRMAN. What do you mean by disturbed conditions, in what did the disturbances consist, bandit raids?

Mrs. WILLIS. Bandits, all kinds of bandits, Villistas and Carrancistas and Indians and everything else, and we could not stay on the ranch because my husband has no work, all of the bandits take everything.

The CHAIRMAN. The bandits took everything you raised and would not allow him to raise crops?

Mrs. WILLIS. Yes, sir.

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The CHAIRMAN. Did they take your stock, work stock?

Mrs. WILLIS. Everything was taken away.

The CHAIRMAN. Was there any destruction of implements or fences, improvements?

Mrs. WILLIS. Yes, sir.

The CHAIRMAN. You say the bandits were Villistas and Carrancistas Indians?

Mrs. WILLIS. Yes, sir.

The CHAIRMAN. The Carrancistas did not protect your property?

Mrs. WILLIS. No, sir.

The CHAIRMAN. Were there any other soldiers anywhere in the neighborhood, stationed at Valles or anywhere else?

Mrs. WILLIS. No, sir.

The CHAIRMAN. They were just riding past; coming through the country?

Mrs. WILLIS. Yes, sir.

The CHAIRMAN. And you found no difference in the treatment which your property received at the hands of the Indians or the Villistas or the Carrancistas; they all treated you alike?

Mrs. WILLIS. Yes, sir.

The CHAIRMAN. You have never heard of your husband since you saw him last?

Mrs. WILLIS. No, sir.

The CHAIRMAN. How many children have you?

Mrs. WILLIS. Two.

The CHAIRMAN. How old are they?

Mrs. WILLIS. One is 10 and the youngest one 8.

Mrs. LOLA C. BAILEY. Now, they had three at the beginning of this trouble: one little girl who we can claim died for want of attention—medical attention—suffering from complications because of smallpox. She was taken to Tampico and they could not get medical attention on account of their being poor; doctors do not work for their health in that country. The child died. I am speaking of this disappearance; she can not relate it; she can not speak much; and I know much more. There was one time when my brother had to leave this ranch on account of bandits and seek work in Tampico; he worked for a dredging company for a while on account of the revolutionists, and he was thrown out of employment, and his wife joined him there. She stayed on the ranch until one morning they were notified the Indians were coming. There were several troops of Indians over in there that were headed by these partly educated Mexicans, and they would cause commotions among the Indians and make them believe they had a right to do that. The Indians did not cause the trouble; it was these different parties.

The CHAIRMAN. Who were those different parties?

Mrs. BAILEY. Well, they were just nothing; they would just rise up; they were nothing; they were a band of Indians raiding on the other side of the river and hiding out; and he was with Catron that was killed, and he came and notified them to get out, and in less than two hours he had them on a wagon with a yoke of oxen hitched to it, pulling out for Valles, where they arrived late in the afternoon; and just as they got out of hearing of the ranch the Indians struck it. There was not anything that could be knocked down and pulled up or

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burned they did not destroy. She never went back to the ranch—not with him—she joined her husband in Tampico, and there is where her child died.

The CHAIRMAN. They, of course, had to leave everything at the ranch; they had no means?

Mrs. BAILEY. Yes, sir; at the mercy of the Indians. The brother who is down there has been hiding out for months with these Catron brothers.

The CHAIRMAN. That was the brother who disappeared at Aguascalientes?

Mrs. BAILEY. No; that is the one that is still there. That one that disappeared at Aguascalientes is another brother. I have one there now who has never left Mexico.

The CHAIRMAN. Where is he?

Mrs. BAILEY. Out on my ranch, 3 miles from Valles. My brother was starting, and resolved it was better for them to come to the States, because they had no protection there—that is, he is not given American protection—so he started out with his family, and arrived at Aguascalientes on the 1st of July, 1915, and there was the place where he disappeared.

The CHAIRMAN. Where was your other brother?

Mrs. BAILEY. He remained at the ranch, and he did not know about this disappearance for about three months, because we had no communications. She remained there six days and investigated; she notified several of the generals that were there at the time—at the time the Villistas were there. She notified Gen. Urbino.

The CHAIRMAN. Tomas?

Mrs. BAILEY. Yes, sir. His secretary was that one-legged, one-armed Orozco, and she notified him, and he denied any knowledge of having seen the Americans, because she went by the name of the Americans, she always asked for the Americans, never asked for her husband alone. She asked for the other man also. She also went to the governor, Benito Diaz, and she got the same answer. The American consul was too sick to be seen, and she never got to see him at all. I guess it was quite convenient to be sick about that time.

The CHAIRMAN. What was his name?

Mrs. BAILEY. I do not know. I know she could not see him anyway, so then the governor asked her what she wanted. She had heard the remark by Urbino, the secretary, to the effect that probably these men were in Chihuahua. You know that was the saying they had when they executed them, that they have gone to Chihuahua, that was the way they had to express they were gone, they had killed him. She didn't know that, and I did when she told me about it—so she took her cue from that any asked for transportation to Chihuahua City; so he gave her transportation, where she arrived in about three or four days after she started; I do not know how long. She was on a troop train and was the only woman on it for about three days, and she arrived there and went to the American consul, Marion Letcher, American consul there at the time, and she appealed to him for help, and he was preparing to leave, and he communicated with the consul in Aguascalientes and got a denial also of the report, and he took note of all she told him, and then he permitted her or told her, advised her to go and search the prisons, if

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she wanted to, and she got permission to search all the prisons, all the places where a man could be hidden or imprisoned, as she had done in Aguascalientes. He asked her where she wanted to go, and she said to Juarez, and he gave her $20, and she went to Juarez with her two little children. She arrived there on the morning of the 15th of July, arrived there at 5 o'clock in the morning. Rooms were $8 to $10 a day, and therefore she was not in very good shape to rent a room, so she stopped out under the trees on the edge of acequia, Juarez, Mexico. The immigration officials there took charge of her. She was in hot water all the time she was there; they would not let her go, said they disregarded everything she asked, every question made they refused to hear her and positively said that they did not believe any of her statements. She went to the American consul there, Edwards is his name—by the way, I know the gentleman—and he refused to hear her, told her positively he could not do anything for her, she could go further to get her information. So one thing brought on another, and finally the Red Cross Chapter in El Paso, Tex., got hold of the thing, and Mrs. Del Campo came over in her automobile and picked the little girl up after a word fight and almost a fist fight with the officials and brought her over into El Paso and gave her in charge of a family that agreed to take charge of her in case they could get her across there, until she could get into communication with us. In the meantime we had moved to Fort Stockton, and this telegram was sent to us from here to Fort Stockton. It was just three weeks from the time we got the telegram until the red tape could be unwound and she was sent to us, and when she arrived there she was an invalid, and she had to be operated on.

The CHAIRMAN. That was on account of the mistreatment?

Mrs. BAILEY. Mistreatment and the want of attention at the proper time and the proper place. My husband got four sheets of paper about that long [indicating] with about 500 questions to fill out, that were all to be sent back to El Paso before they would turn her loose at all, and when he told them who he was, a Spanish War veteran, they bundled her up and sent her to us that same day, and the Red Cross saw to it that she got what she needed for her trip.

The CHAIRMAN. Very much obliged to you.

I think that we can make a little progress by taking a recess just at this moment. The committee will be in recess till 2 o'clock.

(Thereupon, at 12.15 o'clock p. m., the committee recessed until 2 o'clock p. m. of the same day.)

THURSDAY, JANUARY 15, 1920,
2.30 o'clock p. m.

TESTIMONY OF P. W. WARNER.

(The witness was sworn by Dan M. Jackson, Esq., clerk of the committee, duly authorized thereto.)

The CHAIRMAN. Where do you live, Mr. Warner?

Mr. WARNER. San Antonio.

The CHAIRMAN. Are you an American citizen?

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Mr. WARNER. Well, I should say I was; I was born and raised in the United States. I am of German parentage, though; my people came from Germany in 1832, I believe it was.

The CHAIRMAN. Where were you born and raised?

Mr. WARNER. Wisconsin.

The CHAIRMAN. What is your age?

Mr. WARNER. I will be 71 next month.

The CHAIRMAN. Where were you in 1860 to 1865?

Mr. WARNER. I was in Wisconsin, I was quite a boy; but during the Civil War I was one of five brothers that enlisted in the Civil War. There were four of us under 20 years of age, and we served to the end of the war. The last year I served with Gen. Custer.

The CHAIRMAN. Then you have a right to claim American citizenship?

Mr. WARNER. Well, I believe so.

The CHAIRMAN. Mr. Warner, have you lived in Mexico at any time?

Mr. WARNER. Yes, sir. I would like the committee to insert a statement in the records that I appeared before this committee on a subpœna by order of the committee.

The CHAIRMAN. Certainly, that is understood.

Mr. WARNER. And also that I have nothing against the people of Mexico; they have my respect, and I have lived amongst them and I have a very high opinion of them, was always treated well by the people of Mexico. When I say that, I mean to say the same as I would say for the United States. I do not refer to the I. W. W.'s, or the Bolshevists; I am talking about the people of the country as a whole.

The CHAIRMAN. I do not think you will find any quarrel with this committee for those sentiments, Mr. Warner.

Mr. WARNER. I want it understood that I am not against the Mexican people as a nation or a class.

The CHAIRMAN. What part of Mexico were you?

Mr. WARNER. I was located 60 miles west of Tampico, on what is called the Atascador, and I would like to explain about that. One of your witnesses explained about a Warner colony. That is Los Platanos. I had nothing to do with it.

The CHAIRMAN. That is another proposition?

Mr. WARNER. Another proposition; and I had no charge of any colony, but I was general agent of the Atascador and had charge of the settlement and getting the people to settle. And another explanation I would like to make in regard to the colonies. Mr. Blalock testified his colony was made up of an association of farmers from Oklahoma, the same way as the San Dieguito colony. They bought their land; each one owned a certain interest. The Atascador colony was different. It was 135,000 acres, and then it was colonized and settled along as the people came down and bought their lands, and when I had charge of it we had to bring the people down there and they selected the lands themselves and it was sold to them like Blalock.

The CHAIRMAN. What was the average size of the individual holdings in the Atascador?

Mr. WARNER. Well, it ran all the way from 50 acres up to 3,300.

The CHAIRMAN. What was the class of the colonists?

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Mr. WARNER. They were all farmers.

The CHAIRMAN. Where were they from, generally?

Mr. WARNER. Generally, from Nebraska, Iowa, and Illinois, and a great many from Texas.

The CHAIRMAN. Approximately how many did they number?

Mr. WARNER. I could not say exactly, but I have a list of all our colonists up to 1910, and I just merely figured this up to-day and I could give you an idea. [Producing paper.] We had something like 305 that you might say was heads of families; that is, men that came down there and bought, a great many of them brought their families down and others just bought the land and wanted to move down, especially those that bought after 1910, and you might say we had something of about 500 people in the families, of course they would number three or four to the family. They were settlers on there, and when we would have a church or social gathering I counted up as high as 185 men, women, and children.

The CHAIRMAN. Did you have churches?

Mr. WARNER. We had a church.

The CHAIRMAN. Schools?

Mr. WARNER. Schools, and the farmers were very successful in farming. In fact, Gutierrez, the industrial agent for the Government of Mexico on the railroads, told me we had the most successful colony there was in the Republic. We had plenty of transportation and good soil and rainfall of about 50 or 60 inches, and the farmers did well.

The CHAIRMAN. Did the colonists, any of them, employ labor?

Mr. WARNER. Yes, sir.

The CHAIRMAN. What labor, native labor?

Mr. WARNER. All native labor. I employed from 25 to 200 men putting the land under cultivation.

The CHAIRMAN. What were these people being paid when you went there, for similar work?

Mr. WARNER. The first bunch I employed when I shipped out a car load of lumber and stuff to put up my ranch house—there were six of those there—and I set them to work on the foundation, and I paid them 75 centavos a day, and they said they had just come from a hacienda up north—about 25 miles north—where they were getting 20 centavos a day, and I paid them 75 centavos. That was the universal wages on the Atascador for the next five or six years—75 centavos a day.

The CHAIRMAN. How did that compare with the other wage of the other natives throughout the country there?

Mr. WARNER. Twenty-five centavos most of the natives got.

The CHAIRMAN. Most of the natives working for natives got 25 centavos?

Mr. WARNER. Yes, sir.

The CHAIRMAN. And you paid them 75 centavos?

Mr. WARNER. Yes, sir.

The CHAIRMAN. Did their children have any school advantages there?

Mr. WARNER. Well, the natives would only come and work for us occasionally and some of them worked three or four years, but they never seemed to be interested in schools, some of them could read and write, the older people.

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The CHAIRMAN. Where are those colonists now?

Mr. WARNER. They are scattered all over the country; there is only one family living down there; they are Germans, and they have not been disturbed. The rest of them have left the colony and the thing has all gone back to grass and weeds. I saw Capt. Hunter, who came from there last week, and he said he had been out on the ranch, and he said the things had been taken away and the wire was gone from the fences, and he stopped at Mr. Weeder's house, and the house cost something like $5,000; it was made of brick he manufactured there—2-foot walls, a very large house. He was a Pennsylvania German, and I said, "They did not surely tear that down?" He said, "No; but they took all the lumber and the roof off." That was a galvanized steel roof. He said they had their shacks built in the corner of the wall and he said that the Mexicans had possession of the Atascador and were squatting on it, claiming they were going to hold it; and, under the Mexican law, where they improve for six months they claim they have a right to possession. I would like to say before this committee one thing about our title. In going down there I had charge of our county records in Nebraska, back in the 80's I was county clerk and recorder. I knew something about records and consequently when I went down there, the first thing I wanted to look out for was titles to land, and the conditions, and the safety, etc.; and the Mexican railways, through the authority of the Government, circulated literature all through our country and all up through the United States encouraging and inducing people to come down and settle on their land and improve the same, as we did it ourselves after coming out of the Civil War. I went to Nebraska and people were living in sod houses and dugouts and I knew something about pioneering. Then I went on west, farther west, and opened up land in Nebraska. Consequently, when I went down to Mexico I knew just what to do. I bought 20 four-mule teams and set my boys to work. We hired Mexicans and ran out 800 acres of prairie land the first year we were there. We planted it in corn. The literature they circulated showed that the life and property was perfectly safe and titles were good, etc., and I looked into that and found it all true; and I want to say this, that we never had any trouble in our colony anywhere in that neighborhood, and I think every American that lived in Mexico will say the same—that it was the most peaceful country that I ever lived in.

The CHAIRMAN. When was that?

Mr. WARNER. All the way from 1907 to 19—well, in 1913 they began to have occasional bandit raids.

The CHAIRMAN. When did you come out?

Mr. WARNER. I came out of there in December, 1913.

The CHAIRMAN. Why?

Mr. WARNER. Well, I had my family up at Houston, and I thought I would go up and pay them a visit. I got up there and took sick, and aimed to go back, and I had a good big crop in, and about 200 head of Jersey hogs and pigs and some other stock, and I sold my mules to the oil company before that on account of the raids. Before I got ready to go back they got to scrapping and fighting there and consequently I never went back.

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The CHAIRMAN. Had there been any disturbances before that, any raids?

Mr. WARNER. Nothing more than an occasional band of what called themselves Constitutionalists, armed with 30.30's, Winchesters.

Miss OLLIE WARNER. Louder, papa.

Mr. WARNER. Nothing more than occasional raids of what called themselves Constitutionalists, they held up our train one time when I was going out to the ranch from Tampico and when they were robbing the express, I went out and talked to them. At that time they never molested Americans, and in fact they seemed to like us. We took no sides in their politics—both factions.

The CHAIRMAN. Both factions? What factions do you mean?

Mr. WARNER. Well, they called themselves Constitutionalists and Huertistas. The Huertistas in 1913 came in power there in Mexico and had Federal troops there protecting the people and occasionally one of these bands would come along and kill these Constitutionalists. When this train was held up I went out and mingled with them and talked to them, and I found one of the men that had worked for me, and I said, "Don't you know if Huertistas troops catch you holding up passenger trains they will hang every one of you?" He said, "No; we are revolutionists; we are making war on the Government." They never molested us in any way at all until they took Vera Cruz. One time they came to my house and I had my watch upstairs, I was away from there, we never locked our doors, we never had occasion for it. They took my rifle and the commissary there. Our Mexicans were more afraid of them than we were. When we had an idea that the revolutionists were likely to come they would hide out in the brush.

The CHAIRMAN. You say you sold your mules to the oil company. Why did you sell your mules?

Mr. WARNER. Well, I could see they were making these bandit raids in there and I was afraid I would lose them. Our land joins the Doheny land on the west. In fact, I think it is the original estate. Our abstract goes back to 1870, the old Spanish grant. They made a raid on the Doheny property and got away with them up as far as Xicotencatl, Capt. Hanson's ranch, and they caught them and brought them back.

The CHAIRMAN. Did you know where Capt. Hanson's ranch was?

Mr. WARNER. I have never been on the ranch, but I knew it.

The CHAIRMAN. Did you know the other colonies in that neighborhood?

Mr. WARNER. Yes, sir.

The CHAIRMAN. Aside from the Atascador?

Mr. WARNER. Yes, sir.

The CHAIRMAN. How many colonists were there?

Mr. WARNER. Well, just make a rough guess, 15 or 20, but they did not have very many people on them except the Blalock colony and the San Dieguito and ours. They would buy a large tract and bring people down there and settle it.

The CHAIRMAN. Subdivide it?

Mr. WARNER. Yes, sir.

The CHAIRMAN. Were you financed by any company or corporation?

Mr. WARNER. No, sir.

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The CHAIRMAN. The colonists went there as individuals?

Mr. WARNER. We had no connection whatever because when we went there the only oil production was what Doheny was doing.

The CHAIRMAN. You never had any connection with Doheny?

Mr. WARNER. No, sir.

The CHAIRMAN. They did not finance you?

Mr. WARNER. No, sir; not at all. One of our neighbors dug a well in 1909 and there was so much coal oil in it they could not use it and he had to dig another well.

The CHAIRMAN. Did any of your colonists get any money for their property when you left there?

Mr. WARNER. No, sir; not a single one.

The CHAIRMAN. Have you ever been able to sell out?

Mr. WARNER. No, sir.

The CHAIRMAN. How much did you lose there?

Mr. WARNER. Well, it is pretty hard to tell. I went down there and the first season I put in about $6,000 and I was out the improvements, etc., the balance of the time, about $15,000 more.

The CHAIRMAN. Are you a wealthy man?

Mr. WARNER. I do not think I am. Everything I have got is down there, and there is nothing there they tell me.

The CHAIRMAN. How about the other colonists, Mr. Warner?

Mr. WARNER. Well, they are in the same condition.

The CHAIRMAN. Well, were they wealthy, independent families?

Mr. WARNER. No, sir; they were all well-to-do, they were well-to-do, most of them, and successful in farming and raising crops, and most of them had brought some means with them, considerable means.

The CHAIRMAN. Well, did they get the means out when they left, or leave them?

Mr. WARNER. Not that I know of. One of my neighbors had about 200 head of cows, Mr. Hornby, and I was talking to his widow up here at Jacksboro and she said she lost them all. Mr. Weeder was working down in the field, that is the young man, he went up there and ran his cattle off, and according to Nieto, this representative of the Carranza Government in Washington, a statement that I see from the papers, that Col. Larga, in charge of the district, had him shot and killed because he was taking his stock.

The CHAIRMAN. Who was that?

Mr. WARNER. Weeder. His parents were about 80 years old. They had 1,100 acres and, if I remember, it was under fence and pretty well improved.

The CHAIRMAN. Do you know a man by the name of Byrd?

Mr. WARNER. Yes, sir; I was well acquainted with him.

The CHAIRMAN. Where was he?

Mr. WARNER. He was on the west end of our colony, about 15 miles.

The CHAIRMAN. Was he one of your colonists?

Mr. WARNER. Yes, sir; he had 3,300 acres on the west end.

The CHAIRMAN. Did he have any means—was he a man of independent income?

Mr. WARNER. Yes, sir; I believe he was. He paid off his land in cash, so I was told, and he had considerable means after that. His family and mine were associated very closely.

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The CHAIRMAN. What became of him, is he there?

Mr. WARNER. Mr. Byrd; no. He moved his family—well, he had to leave there after that Vera Cruz excitement and he went to Galveston, and from there he moved his family to Mineral Wells, Tex., and he died up there this last November. He was paralyzed, and I believe he was probably injured in some way.

The CHAIRMAN. You say you think he was paralyzed?

Mr. WARNER. I know he was paralyzed; I was at his house.

The CHAIRMAN. What was the cause of it?

Mr. WARNER. I expect from what the doctor said it was from being pounded over the head by one of the officers there at the station. He got off the car there and he accused him of associating or rather fraternizing with rebels.

The CHAIRMAN. The officer accused him?

Mr. WARNER. Yes, sir; and sent him to Mexico City, and he was there quite a while, and we immediately took the matter up with our consul at Tampico and San Luis Potosi and Mexico City, and then he was sent to Vera Cruz and from there he was sent to Tampico, and then when Wilson shanghaied all the people out of Tampico, his family went out with them.

The CHAIRMAN. You say he was beat over the head?

Mr. WARNER. Yes, sir.

The CHAIRMAN. And the paralysis is supposed to be the result?

Mr. WARNER. Yes, sir.

The CHAIRMAN. What became of his family? Any members of his family left there?

Mr. WARNER. Yes, sir; his wife and one of his sons are down in the oil field now they told me when I was up there this summer, and one of his sons and sister was down at my house in San Antonio about two weeks ago.

The CHAIRMAN. Was any son of his killed?

Mr. WARNER. Yes, sir.

The CHAIRMAN. Who killed him?

Mr. WARNER. He was killed by this—I understand, of course, it is only what I am told and they all agreed—we all agreed on the same story; killed by bandits; by Villistas or Carrancistas; I do not know what they were. He was taken to the next station east of ours and executed there with two or three of his men that he had working for him.

The CHAIRMAN. Executed?

Mr. WARNER. Yes, sir.

The CHAIRMAN. Did he have a trial?

Mr. WARNER. They claim so, I was told by one of the Americans that tried to prevent it—prevailed on the officers to not shoot him, and he said if he did not keep still he would be shot. That was the first station west of Ebano, where the Doheny property is. They were fighting then with the Federal troops at Ebano, and they had their headquarters at this switch there.

The CHAIRMAN. Who was the commander of those troops who were fighting with the Federal troops?

Mr. WARNER. I could not tell you, I could not tell you.

The CHAIRMAN. Who were the Federal troops that you spoke of—Huertistas?

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Mr. WARNER. I was just trying to think whether——

The CHAIRMAN. What year was it?

Mr. WARNER. Whether—well, I could not tell you that now.

Miss OLLIE WARNER. 1914, wasn't it, papa?

Mr. WARNER. Oh, it was after that. I think it was in the latter part of 1914, I am not certain though. I do not know whether Huerta had been driven out of Tampico at that time or whether the Carrancistas had it, or whether they were fighting the Villistas or not.

The CHAIRMAN. Then it is hard to tell the difference between them?

Mr. WARNER. Yes, sir.

The CHAIRMAN. It is rather confusing and hard to differentiate?

Mr. WARNER. Yes, sir.

The CHAIRMAN. Gen. Pablo Gonzales was in control there part of the time, was he not?

Mr. WARNER. I believe he was from what I heard. He had headquarters in Tampico.

The CHAIRMAN. Gen. Caballero?

Mr. WARNER. Yes, sir. I believe he was, and Gen. Gonzales was stopping at the large hotel there at Tampico, the new one; I forget the name of it now.

The CHAIRMAN. You do not know what officials executed young Byrd?

Mr. WARNER. No, sir; I do not.

The CHAIRMAN. You do not know who he claimed to owe allegiance to at that particular moment?

Mr. WARNER. No; I could not tell you that. You mean the officer?

The CHAIRMAN. Yes; whether he was a Huertista or a Carrancista or Villista?

Mr. WARNER. Well, I know he was not a Huertista, because he was in power and was fighting those forces, but I was at Houston at the time and I know nothing about that.

The CHAIRMAN. Now, you say that your colony numbered as many as 300 heads of families?

Mr. WARNER. Yes, sir, more than that. That was up to 1914 when this pamphlet was got out, and a great many bought after that.

The CHAIRMAN. The majority of them had their families there?

Mr. WARNER. Well, I would not say the majority. There was something about 200 left on the colony.

The CHAIRMAN. What became of the women and children?

Mr. WARNER. Well, when I was down there I was down to Tampico, and there was a bunch of bandits—three of them, came to one of my neighbors there and attacked him and tied him to a tree and made depredations there on his daughter.

The CHAIRMAN. That was Mr. Gourd?

Mr. WARNER. Mat Gourd. Mat Gourd came from Corning, Iowa. I induced him to come down there and sold him 400 acres of land on the Atascador.

The CHAIRMAN. You say there is one family there now?

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Mr. WARNER. Yes. I got a letter from the head man at Tampico in charge of our colony and property there, and he said this German was living out on the ranch and had charge of the ranch house.

The CHAIRMAN. A German?

Mr. WARNER. Yes, sir; a German.

The CHAIRMAN. He has not been molested?

Mr. WARNER. He has not been molested, he has been there now six or seven years.

The CHAIRMAN. And all the other colonists gone?

Mr. WARNER. Every one of them.

The CHAIRMAN. Can you give the committee a list of the names of any of the colonists there? Can you furnish us with the names of any of those colonists?

Mr. WARNER. That were located on the land?

The CHAIRMAN. Yes, sir.

Mr. WARNER. I have a list of them in that book.

The CHAIRMAN. Very well. We will make a list, we will file that.

Mr. WARNER. There is over 300 there.

(The list as produced and identified by the witness, P. W. Warner, was thereupon handed to the chairman and ordered incorporated into the record, and is as follows:)

Alexander, G. W., Milford, Ellis County, Tex.
Anderson, J. A., Corning, Iowa.
Anderson, C. L. and F. J., 3124 Miami Street, Omaha, Nebr.
Anderson, George, Hastings, Nebr.
Acker, D. B., Coco, San Luis Potosi, Mexico.
Auger, David, San Diego, Calif.
Archer, Thomas J., Holland, Tex.
Bates, William, Cliff, N. Mex.
Bolser, W. G., Le Mars, Iowa.
Burkett, Jeff D., N. Mex.
Brooks, C. L., Carson, Okla.
Bynum, J. H., Indianola, Okla.
Boyd, Henry B., Bladen, Nebr.
Barker, Globe, Ariz.
Bagley, W. L., Alta Loma, Tex.
Byrd, W. M., Rodriguez, San Luis Potosi, Mexico.
Barnes, R. E., Coco, Can Luis Potosi, Mexico.
Buck, W. T., Bethany, Mo.

Bradel, Otto, Kingfisher, Okla.
Boldt, Ernest, Calumet, Iowa.
Brasher, J. G., Waxahatchie, Tex.
Brechner, J., Coco, San Luis Potosi, Mexico.
Bogen, Moses, Le Mars, Iowa.
Brandon, J. B., Greenfield, Iowa.
Billeter, P., Fairfax, S. Dak.
Butterbaugh, J. L., Gothenberg, Nebr.
Boone, W. P., Alvord, Tex.
Boone, D. W., Alvord, Tex.
Boone, D. & S., Alvord, Tex.
Carter, Belus, Coco, San Luis Potosi, Mexico.
Cowen, M. E., Tecumseh, Nebr.
Campbell, D. L., North Fort Worth, Tex.
Coffee, Jerry, Coahoma, Tex.
Cole, W. M., Tucson, Ariz.
Chalcraft, M., Albion, Ill.
Colyer, Walter, Albion, Ill.
Coats, J. A., Jacksboro, Tex.
Ballweg, M. J., Cedar Hill, Tex.
Bowser, J. P., Knowles, N. Mex.
Beck, Jane, Hastings, Nebr.
Crosby, G. W., El Paso, Tex.
Cox, A. R., Arcola, Mo.
Clark, W. A., Coco, San Luis Potosi, Mexico.
Davenport, F. W., Watertown, S. Dak.
Dunn, R. F., McGregor, Tex.
Donn, W. B., Woodbine, Iowa.
Donn, F. W., Phoenix, Ariz.
Dalley, E. R., 3740 Corby Street, Omaha, Nebr.
Dovey, John, Hastings, Nebr.
Dawes, E. L., Coco, San Luis Potosi, Mexico.
Duncan, W. S., Coco, San Luis Potosi, Mexico.
Dunn, E. S., Coco, San Luis Potosi, Mexico.
Dunn, L. A., Coco, San Luis Potosi, Mexico.
Damron, J. T., Coco, San Luis Potosi, Mexico.
Duff, J. E., Coco, San Luis Potosi, Mexico.
Davis, W. H., Coco, San Luis Potosi, Mexico.
Damron, J. W., Coco, San Luis Potosi, Mexico.

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Arnest, C. H., Colorado, Tex.
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Emart, E. J., Santa Cruz, Calif.
Erskine, W. E., Uvalde, Tex.
Elick, V. V., Granger, Tex.
Evenson, Edward, Nenah, Wis.
Frame, Chas. W., Rochester, Ill.
Felgar, D., Newton, Kans.
Fausett, S. S., Tucumcari, N. Mex.
Fisher, Jacob, Hastings, Nebr.
Freeman, W. H., Alvord, Tex.
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Gunkle, Hugo, Hope, N. Dak.
Greene, W. H., Phoenix, Ariz.
Green, Wm. W., Omaha, Nebr.
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Gourd, Matt, Coco, San Luis Potosi, Mexico.
Grabill, J. B., Roseland, Nebr.
Howe, J. A., Greenfield, Iowa.
Hawthorne, P. L., Prescott, Iowa.
Holloway, Arthur, Carlsbad, N. Mex.
Hildebrand, S. M., Hastings, Nebr.
Hicks, E. M., Guthrie, Tex.
Haitsa, A. Va., Hastings, Nebr.
Hanks, W. B., Bowie, Tex.
Hart, I. N., R. F. D. 2, Eastland, Tex.
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Heiler, H. H., Hastings, Nebr.
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Hornback, T. D., Coco, San Luis Potosi, Mexico.
Hornback, Hosie Coco, San Luis Potosi, Mexico.
Hornback, Beulah, Jacksboro, Tex.
Hendrix, J. T., Coco, San Luis Potosi, Mexico.
Harrison, E. M., Big Springs, Nebr.
Hubbard, C. B., Fairplay, Colo.
Huestis, G. L., Cisco, Tex.
Holt, P. W., Phoenix, Ariz.
Hortin Bertram, Albion, Ill.
Hand, W. A., Jacksboro, Tex.
Haun, S. M., Whitesburg, Tenn.
Herschbach, William, Chester, Ill.
Herschbach, F. C., Chester, Ill.
Herschbach, Emma L., Chester, Ill.
Hall, James W., Waverly, Tenn.
Hall, William R., Waverly, Tenn.
Hall, Charles W., Waverly, Tenn.
Hofmann, John, Coco, San Luis Potosi, Mexico.
Isbell, L. W., Aguascalientes, Mexico.
Jaechs, Rev. J. C., Calumet, Iowa.
Jordan, W. A., Phoenix, Ariz.
Keaton, Mrs. May L., Omaha, Nebr.
Kruse, H. J., Larrabee, Iowa.
Kingham, John Lake, Lake Charles, La.
King, Wiley, Coco, San Luis Potosi, Mexico.
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Miller, John H., Arlington, Tex.
Messner, C. H., Coronado, Calif.
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McCurry, George T., Farmersville, Tex.
McCurry, Hubert, Farmersville, Tex.
McBride, W. C., Pierce, Colo.
Meck, F. H., Omaha, Nebr., care W. O. W.
Meck, Geo. S., Omaha, Nebr., care W. O. W.
McCurry, H. B., Tate, Tex.
Murphy, Robert E., Canal Zone, Panama.
Manning, W. J., Coco, San Luis Potosi, Mexico.
McConnell, A. C., Omaha, Nebr.
Morris, W. T., Coco, San Luis Potosi, Mexico.
Mitchell, W. R., Greenfield, Iowa.

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Powell, H. F., Carney, Okla.
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Philleo, Ed., Ayr, Nebr.
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Pearson, R. C., Coco, San Luis Potosi, Mexico.
Peterson, Albert, Crosby, Tex.
Peterson, F. C., Coco, San Luis Potosi, Mexico.
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Payton, Eula, Austin, Tex.
Park, John B., Coco, San Luis Potosi, Mexico.
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Rude, J. S., Albion, Ill.
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Ragan, Pat, Omaha, Nebr.
Ronge, August, Larrabee, Iowa.
Small, A. F., Fort Worth, Tex., care H. L. Small.
Simpson, J. B., Bryson, Tex.
Swartz, John, 707½ Main Street, Fort Worth, Tex.
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Smith, Albert C., Albion, Ill.
Smith, Mrs. Rosa, Albion, Ill.
Smith, H. W., Bethany, Mo.
Sutton, S. F., Bellevue, Tex.
Stone, S. D., Burkett, Tex.
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Swanson, August, Lake Charles, La.
Southworth, William, Snyder, Okla.
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Soper, C. D., Coco, San Luis Potosi, Mexico.
Strait, Al, Phœnix, Ariz.
Stopf, John, Kingfisher, Okla.
Shaver, Mrs. Maud, Portland, Oreg.
Smith, J. L. and B. L., 221 Lincoln Street, Council Bluffs, Iowa.
Summerside, William, Harrold, S. Dak.
Swan, Charles, box 66, Orchard, Colo.
Stone, W. E., Omaha, Nebr.
Sechrist, E. L., Arleta, Oreg.
Stadler, Xavier, 618 South Twentieth Street, Omaha, Nebr.
Stefka, Frank, Granger, Tex.
Sidey, E. J., Greenfield, Iowa.
Sidey, A. J., Greenfield, Iowa.
Smith, J. F., Rockford, Ohio.
Shepard, W. T., Le Mars, Iowa.
Sissel, W. W., Greenfield, Iowa.
Strain, Joe, Badger, Nebr.
Spicer, L. E., Watertown, S. Dak.
Spere, J. A., Table Rock, Nebr.
Spivey, L. S., Bellevue, Tex.
Trask, R. E., Coco, San Luis Potosi, Mexico.
Towns, W. F., Bethany, Mo.
Temple, J. C., Hayden, Colo.
Tipton, L. R., Hastings, Nebr.
Thomas, C. R., Ennis, Tex.
Turner, Tom L., Snyder, Tex.
Thompson, Lewis, Kellysville, Okla.
Tacket, Charles, Coco, San Luis Potosi, Mexico.
Trowbridge, Mrs. Sarah A., Hastings, Nebr.
Tyler, C. A., Le Mars, Iowa.
Truelson, W. A., South Omaha, Nebr.
Tennery, James M., Owassa, Okla.
Trate, Mrs. S. A., Granger, Tex.
Thomson, Peter, Omaha, Nebr.
Thomson, Andrew B., Coco, San Luis Potosi, Mexico.
Underwood, Frank E., Omaha, Nebr.
Vieth, Andrew, Hastings, Nebr.
Williams, A. A. C., Alvord, Tex.
Woodward, J. H., Pierce, Colo.
Waters, George, Albion, Ill.
White, Rev. M. T., Bellevue, Tex.
Walton, Delos, Albion, Ill.
Warner P. W., Coco, San Luis Potosi, Mexico.
Weider, J. A., Coco, San Luis Potosi, Mexico.
Williams, Mrs. E. A., Rodriguez, San Luis Potosi, Mexico.
Weise, F., Rodriguez, San Luis Potosi, Mexico.
Watt, E. F., Velasco, San Luis Potosi, Mexico.
Williams, Nelson Fant, Coco, San Luis Potosi, Mexico.
Warner, Stanley, 2101 Tremont Street, Kansas City, Mo.
Wilson, Peter, Rodriguez, San Luis Potosi, Mexico.
Wison, D. G., Crofton, Nebr.

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White, M. T., Coco, San Luis Porosi, Mexico.
Weidenfeller Anthony, Merrill, Iowa.
Weidenfeld, F. H., Crofton, Nebr.
Wilcox, A. L., Carney, Okla.
Wedsted, M. L., Plumb Bayou, Ark.
Wright, J. M., Chester, Ill.
Wilson, Clayton, Corning, Iowa.
Yaple, Mrs. S. R., Phoenix, Ariz.

The CHAIRMAN. What became of those colonists when they had to come out of there?

Mr. WARNER. They scattered all over—they lost everything they had; some of them went down in the oil fields and worked down in there.

The CHAIRMAN. Went to work for wages?

Mr. WARNER. Yes, sir.

The CHAIRMAN. Those who came to the United States—do you know anything about them?

Mr. WARNER. Very few; I have visited eight or ten or more families.

The CHAIRMAN. Visited the families?

Mr. WARNER. Visited the families last summer, they are all anxious to go back.

The CHAIRMAN. Where are they?

Mr. WARNER. They are in Texas—different parts of Texas.

The CHAIRMAN. What are they doing?

Mr. WARNER. Well, they are doing a little bit of everything they can. Mr. Hornbeck's family, one of his daughters is working in a department store there and the old gentleman died, and they are just living on the salary that the girl earns. And Mr. Byrd, I believe his daughter married a druggist up at Mineral Wells, and Mr. Byrd, the old gentleman, and his wife are living with them up there.

The CHAIRMAN. They had means besides what they had invested in Mexico?

Mr. WARNER. I think so.

The CHAIRMAN. Did many of the colonists have means so they could come back and live in this country?

Mr. WARNER. Most of them had, but a few of them, of course, did not have. Our consul sent out a letter in the fall of 1913, when I was out on the ranch alone. I had left my girls in Tampico the winter before. I felt uneasy about these roving bands around, but none of us had been molested and they had gone on to Houston, and while I was putting in another crop one of my neighbors came there with a letter that he had got from the consul direct from President Wilson, and it read something like this: "You know, undoubtedly, there will be severe fighting. I will advise you to leave the country. I shall do nothing to protect you if you do not, because I am not going to intervene." He said, "What do you think of that?" I said, "That is possible." For Mr. Taft told us that we would not intervene. We knew that the moment they landed marines in Mexico we would have to abandon the country. I was against intervention then, and I am against intervention now, but I am in favor of this: I think Mr. Wilson made a mess of that thing and he will have to straighten it out. He put Carranza in and if Carranza don't fulfill the duties it is his business to attend to that. The Mexican people have been the victims of our bandits and our conditions. They were armed and put in power in Mexico by virtually

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ourselves. Villa would not have been in power if it had not been for the backing Mr. Wilson gave him, gave Mr. Villa, and allowed him arms to help Mr. Carranza. We hear so much about watchful waiting. It is nothing but watchful meddling. They sent those marines in there to take Vera Cruz, according to Reuterdal's description of it, without getting any authority from Congress. You ought to know that better than I do.

The CHAIRMAN. His action was ratified.

Mr. WARNER. It was ratified after he did it.

The CHAIRMAN. I voted to ratify his action.

Mr. WARNER. That is all right; but I want to say that the people of Vera Cruz never did us any harm, nor any of the people in the United States, and when they bombarded that city and slaughtered several hundred of their innocent people, I consider it one of the greatest crimes ever committed. It endangered all the lives of Americans in Mexico; all of us had to run for our lives.

The CHAIRMAN. You came out before Vera Cruz?

Mr. WARNER. I came out then; I was very grateful; I had to. My son was down in the oil fields 100 miles south of Tampico; he had been cashier for the Aguila Co., and when they got notice Vera Cruz was to be taken they were ordered by the company to come to the beach. They started to Tuxpam, and there they were landed on the beach, some one hundred and forty-odd miles, and there were 296 in the car; and the evening after they got there they got word up at Tuxpam that Vera Cruz had been taken and about 2,000 people slaughtered, and a little Huerta captain came down there and he said, "I have only got about 40 troops and they are about to come down here and murder all you people." He said, "I am keeping them back and doing as well as I can, but if they come you will have to do the best you can." Charley said, "'Why, there is over 60 women and children in this crowd." He said, "For God's sake keep them back." He said, "We will do the best we can." I did not hear from him for three weeks. I went to Galveston when this bunch of refugees came up there, over 2,000 of them; I could not hear a word from him.

The CHAIRMAN. You mean 2,000 Americans?

Mr. WARNER. Yes; they loaded them on the ship at Tampico, and then after the mobs had quieted down they wanted to go back to their houses and their hotels and homes, and the captain of the boat said, "You can not go"; and one of our wholesale grocerymen told me, he said one man came up to him, he said, "I just saw the captain of the boat, and he said they are going to take us to Galveston." He said, "I am not going to Galveston." He said, "I bet you are." He said, "I am a free-born American citizen; I am not going to Galveston." He said, "I guess you will; you are a subject of Kaiser Wilson; you are going to Galveston." Judge McCabe came to Houston in order to get back to Tampico; took a train to Brownsville and hired an automobile and came back that way. The moment the mob was put down by that German captain everything was quiet. Huerta—I want to give credit to Gen. Huerta that all of those thousands of Americans that were in there had to run for their lives after that crime of Vera Cruz; every one got out alive with just the clothes they had on their backs; they had to leave their stock, their

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homes, and everything. According to, as I said a little while ago, it is the meddler. There is no occasion for that at all. The excuse was to stop the landing of some ammunition for Gen. Huerta. Gen. Huerta was recognized by all the leading foreign nations and all the governments of the Republic of Mexico except two, and that is Sonora and Coahuila, where Carranza was governor. Of course he had a right to buy his ammunition, as I understand international law. I don't know much about it; but, anyway, instead of stopping the boat from landing the ammunition—and Wilson got a telegram, according to Reuterdal—I have the information from him—somewheres about midnight.

They have war board organization in Washington, with Admiral Dewey at the head of it, to eliminate Gen. Huerta without any bloodshed. And Wilson had them wire Fletcher to have them take Vera Cruz, and the bombardment started. At first they consulted no one, they committed those crimes, and that ruined all of us. We were friendly to all of those factions, they didn't bother us. Wherever there were two or three under a leader they never interrupted us. This 150 that held up our train. I talked to them, and they said, "We are not making war on you Americans." When we got my coach to the station, going out to my place, there were five of us, and we met 58 more of them, and they called them Constitutionalists; they were all armed with 30.30 Winchesters and two strings of ammunition. By the way, where they got their ammunition was through our administration backing them. They never molested us. They met these two Gourd girls, they were going to Sunday School, and they asked them if that was the right road to the railroad and they said yes, and a little ways farther they met Mr. King's daughter, a young lady about 18, and they politely lifted their hats to her and they never molested her. They told us, "We came through your colony up here and we stopped at the Casa Grande—large house—and got our breakfast and found everything all right." They said, "We are not making war on you Americans; we are making war on the government." They were going to the railroad to hold that freight train up, and afterwards when Huerta got his troops in there they retired. Then after that Huerta put troops at each station, they generally put 40 or 50 men and a captain in charge of them, while I was there in the summer of 1913.

The CHAIRMAN. Why don't you colonists go back there now?

Mr. WARNER. Well, I have a gentleman here, in this room now, that wanted to go there and go out on the colony, and they advised him if he would go out he would get killed, and he was bound to go anyway, and he talked to a number of Americans and some of the oil men there and they said he would not go out. Mr. Johnson, the manager of the Atascador, said:

> I would not go out there. I have not been out there for four years. I would not go out there; that German family is out there, they have taken charge of our machinery, and that is all. I would not go out there for the whole ranch. We have done nothing. We are afraid to go.

The CHAIRMAN. What are you afraid of?

Mr. WARNER. Well, we are afraid of being killed.

The CHAIRMAN. By whom?

Mr. WARNER. By the bandits, they call them; I don't know.

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The CHAIRMAN. Weren't there any Federal troops there for protection?

Mr. WARNER. Not that I know of; no, sir. They have got a Federal general in there, this Mexican, a member of the Carranza Treasury Department. He said that he was murdering the Americans in there; had called Lincoln Weeden and young Catron to get their cattle. Mr. Crawford was down to see Mr. Catron; he wanted to buy his cattle, but he said he would not attempt to drive them to the station. You should take them to the stock pens.

The CHAIRMAN. Who is that general?

Mr. WARNER. Largo, I think they call him.

The CHAIRMAN. Who does he claim to be?

Mr. WARNER. A Carrancista. Nieto says, "I got the stock from the raids on the Atascador, among his relatives to-day, and also Nieto said, he—I think that is the way you pronounce it. He ran for governor of the State of San Luis Potosi.

The CHAIRMAN. Nieto; yes, sir.

Mr. WARNER. He claimed that Largo had—Mr. Catron lived there, had three sons, and last summer one of them was shot and killed about 3 miles from the house, and Largo says he is responsible.

The CHAIRMAN. Then it is Largo that you are afraid of, or the men under his command?

Mr. WARNER. Well, I don't know anything about that. We do not know who did it, whether they are Carrancistas or what they are.

The CHAIRMAN. Well, Largo is a Carrancista general?

Mr. WARNER. Yes, sir; so Nieto says himself, and also I got my information through a resident in Tampico.

The CHAIRMAN. Nieto is the assistant secretary of the treasury, is he?

Mr. WARNER. Yes.

The CHAIRMAN. Assistant secretary of the treasury?

Mr. WARNER. Yes; I understand he represented Carranza's treasury in Washington. He ran for governor of the State of San Luis Potosi, and I see by the paper where Carranza counted him out, or he was not allowed to take possession, but I think he has some appointment under Carranza; I am not certain. I want to say this, that in speaking about intervention, I want it distinctly understood that I am against intervention, and I do not want this evidence to go in without that understanding. But I want to say this, that the people of Mexico, and when I say the people I mean the common people of the whole Republic, the same as I speak of the people of the United States; I don't speak of the Bolshevikis nor the I. W. W.'s. The people of Mexico have been victimized by these men that we have been putting in power through our administration.

The CHAIRMAN. Are they sustaining Carranza, the people?

Mr. WARNER. I don't know nothing about that, only what I hear. I wouldn't say, but I want to say this, that when Gen. Scott met Villa at Juarez and, according to Buckley's testimony, he made a deal with Villa and Villa was to conduct civilized warfare, that he has the protection of the United States and expects to be recognized, and one of the greatest blunders that Wilson made amongst the others, after making this deal with Gen. Scott, Carranza's troops go to head Villa off and ask the privilege to ship his troops through

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the State of Texas and New Mexico to head off Villa's troops at Agua Prieta, and, of course, Villa knew nothing of this.

Senator SMITH. You do not know anything more about it than we do. That is all history.

Mr. WARNER. Yes, sir; but I want to say this much, that the consequence of these Mexicans coming in there and destroying Villa's army, he then cursed the Americans and killed all the Americans, and we had the raid at Columbus.

The CHAIRMAN. Yes; we have him indicted now in New Mexico for murder, and we have hung six of his men.

Mr. WARNER. Well, these people would all be alive to-day; besides all the murders they were committing, that were committed by Villa afterwards, we can lay that transaction to the crooked deal with Villa. Villa was double-crossed; they meddled.

The CHAIRMAN. Senator Smith just remarked that, of course, we have the history which you are detailing in the record, so it is not necessary to go into that at this time.

Mr. WARNER. Yes, sir. Well, I just did that to explain the position I have; that I am against intervention, because the conditions down there were brought on through his meddling and helping one bandit chief and then another and arming them and putting them in power. They came down and robbed us with Winchesters they got through his authority.

The CHAIRMAN. At any rate conditions are such that you and your cocolonists do not dare to go back there?

Mr. WARNER. Yes; and before that we were perfectly safe, and we never had any trouble, any thieving, raiding, or anything of that kind going on.

Senator SMITH. Up to the flight of President Diaz, before his flight, there was peace all over Mexico?

Mr. WARNER. How is that?

The CHAIRMAN. Senator Smith asks if it is not true that prior to the expulsion of Diaz or resignation of Diaz that you had peace and order all over Mexico?

Mr. WARNER. Yes, sir; all over Mexico.

Senator SMITH. And ever since then you have had trouble?

Mr. WARNER. Ever since then there has been more or less banditry. Gen. Huerta made the remark that he looked to this country—I am not a Huertista or anything of that kind; I don't take any part in politics—I saw in the magazine of Frank Leslie an interview that he had; he made the remark that while Diaz was in power any young lady could have ridden from one end of the Republic to the other and would not be molested. I have known cattle buyers leave Tampico with fifteen or twenty or thirty thousand dollars in their saddle bags to buy stock here and there and camp out with the natives.

The CHAIRMAN. Senator Smith and I have been riding down there for the last 30 years, but we never either one of us had that much money, but we were not molested.

Mr. WARNER. I have lived in the West all my life, and I have never carried a revolver, and I never carried one down there; I never had any occasion to.

The CHAIRMAN. I believe that is all, Mr. Warner; very much obliged to you, sir, for your statement.

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TESTIMONY OF P. F. POORBAUGH.

(The witness was duly sworn by Dan M. Jackson, Esq., clerk of the subcommittee, duly authorized thereto.)

Mr. JACKSON. What is your name?

Mr. POORBAUGH. P. F. Poorbaugh.

The CHAIRMAN. Where do you live, Mr. Poorbaugh?

Mr. POORBAUGH. I live in San Antonio.

The CHAIRMAN. Are you an American citizen?

Mr. POORBAUGH. Yes, sir.

The CHAIRMAN. What experiences, if any, have you had in Mexico?

Mr. POORBAUGH. I went to Mexico in the fall of 1912. I was invited to go with a special train that started from Kansas City. They were more or less representative men that were gathered up there from all over the United States. We had been offered an inducement to make a 10 or 12 days' trip where we would be taken into the Isthmus and given the privilege of stopping in Mexico City one day going and one day coming back, at the small rate, I think, of $60 from San Antonio, including the sleeper and diner. A majority of these men were going down there to see the country because of the extraordinary rates made. Not very many of them had any anticipation of buying anything.

When we got into Mexico City, as we had known we was not expecting anything of the kind, a report came to the train that we had been extended an invitation from the President, who was then de la Barra, to visit the palace at Chapultepec. So, after being carted around the parks and various scenes of the town and shown the city over pretty well, we were taken up in the afternoon to the palace. De la Barra came out and made a very nice speech to us. He seemed to be a very intelligent man. I understood that he had served at Washington as ambassador from that country, and he went on to say that he needed the American help and brains and money to help develop the country; that it was the only schooling that they could afford to give their people—the best that they could give them—and that if any of us should get interested in the country we could depend upon them for protection of our lives and property, and that it would be their pleasure to give us every encouragement they could possibly give. He wound up his speech by saying, "And if for any reason that it might become that we could not give you, or did not give you, or do not give you protection for your life and property that you deserve, that you come from the country worthy of the name of your country under our international law—they will give you such protection."

The CHAIRMAN. You are endeavoring now to repeat his words?

Mr. POORBAUGH. I am endeavoring, and I think I am repeating his exact words.

The CHAIRMAN. He was the interim President after Diaz went out and before Madero came in?

Mr. POORBAUGH. Yes, sir. He also invited us then to go to the Hotel Sans, where he would tender us a banquet that night, that evening. We went there and gathered around in groups and talked over his remarks. Judge J. J. Mansfield, who is now in the House of Representatives, was with us, and he acted as our spokesman and

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made a speech replying to De la Barra, after which we went out on the veranda and took some photographs, which I will show you. At the banquet they had four or five representative men. [Referring to photograph]: De la Barra is holding the handkerchief and Judge Mansfield right behind him. Among those was a railroad president, who was then building a railroad from San Lucrecia out to Yucatan, and he said, "These men that are taking you down to the Isthmus are going to show you a body of land known as the Fortuna tract." They had 162,000 acres of land they were trying to colonize. He went on to say they were building a road through that by Oaxaquena Sugar Works. The work was then under way, and of course after three or four of these fellows made speeches to us and outlined the prospects of that country and the advantages and what we might depend upon in the way of assistance and encouragement in every way, we went about midnight to our trains, and the next morning we had dropped in below Cordova and into the Tropics, and we were all very much surprised, all of us, at what we saw. By the time we got down to San Lucrecia, we got there at daylight, and the parties were ready for us to take us down to the Coatzacoalcos River. It means crooked snake. It is the largest river in Mexico, I understand, navigable up for a great many miles; in fact, quite a large boat runs clear up to San Lucrecia. They stopped the boats at this big sugar plantation, where there are some thirteen or fourteen hundred people working, and they went down a few miles farther and stopped at the New York Coffee Plantation, a very nice ranch building. They dropped then on down to the headquarters building that had been built, where it would take care of perhaps 150 or 200 people.

We spent the afternoon there, and the next day they went out onto this ranch property. They showed us the very finest and richest kind of lands, with mahogany timber standing there 4 or 5 feet through and maybe 60 or 70 feet to the limbs, beautiful stuff, and they offered us the land at $10 an acre and showed us where this railroad was going through, and they are already working on it. The company agreed to build a graded road across the Coatzacoalcos River, straight through the tract. And there was quite a stir made there, and when they got off for dinner they sent all their Indians to serve their lunch, and they pulled out maps and passed them out to the people, these different men. The maps were colored where it was sold and not colored where it was not sold. And the fellows began to holler out I will take such a section and this section, and they sold within a half an hour about 45,000 acres of land. I don't think there was hardly a man in the entire bunch that didn't buy land, Judge Mansfield among the others.

The CHAIRMAN. Did you buy some?

Mr. POORBAUGH. Yes, sir.

The CHAIRMAN. How much did you buy?

Mr. POORBAUGH. I bought at that time about a thousand acres. It might have been a little bit more than that, but I think it was right at a thousand acres. After I got home, a few months later than that, I bought a half a section, I got a chance to get it through another party. It lay on this road they were going to grade through there, and I paid him $3,200 for that half section in addition to that.

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The CHAIRMAN. Did you have any organization among the land purchasers of any kind; then or thereafter did you organize yourselves into an association?

Mr. POORBAUGH. No; the colony was being handled by the Kansas City Land Co.

The CHAIRMAN. Who is at the head of that?

Mr. POORBAUGH. George W. Wright was really at the head of it; he is the man that bought the land.

The CHAIRMAN. He is still in Kansas City?

Mr. POORBAUGH. Yes, sir.

The CHAIRMAN. Did you know Mr. Inglesby?

Mr. POORBAUGH. Yes, sir; Mr. Inglesby was one of the gentlemen that made a speech to us at that Hotel Sans banquet.

The CHAIRMAN. He was engaged in the business of colonizing lands down there?

Mr. POORBAUGH. Yes, sir.

The CHAIRMAN. In other portions of the Isthmus?

Mr. POORBAUGH. Yes, sir. They seemed to stand very high with the officials down there; everybody seemed to think they were A1, reliable men.

The CHAIRMAN. Did any of those that bought lands attempt to make a residence upon them?

Mr. POORBAUGH. Quite a number of them; I expect we had two or three or four hundred people there at one time.

The CHAIRMAN. What has become of them?

Mr. POORBAUGH. I think I was probably the last man down there. I went there in the spring of 1914—I will go ahead with my story, beginning a little earlier than that: In 1912 we went there and bought this stuff. In the spring of 1913 we went with two full special trains, something like about a hundred people, and a great many of them were people that remained there. Among them I took my son and son-in-law and left them there. I had my family here in the States. I had some interests there, and I was not ready to establish my home there until we could get that started; in fact, we were still working on this road, and I left them there and they had not been there but a few months, and they had done some work when the order came to get out. There was a man came there from Salina Cruz, a representative of this Government, and on the same day there was a man came there from Puerto Mexico, both of them to advise for the people to get out, that the boats would not carry anything only the people and grips; they were not even allowed to take their trunks.

We had lots of people there that had lots of furniture, stock, and lots of provisions laid in, it was quite a ways to town and they would lay in quite a good stock of provisions, and they just called a kind of council and we got together and decided, most of them decided to go, and so there was only just a few of the men staved, and I think all the women and children went, and they filled their grips and went off and left everything. Then in the spring of 1914, I was living then in Houston, I decided I would make an effort to go down there and get out some mahogany timber. This road had got through and you know there was a lot of timber that was down and going to rot if it was not got into the water and taken care of, and I thought I would see if I could not relieve my financial condition.

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I had invested most everything I had there. I went down there and on my way down there I got caught in a storm on the Gulf and was lambasted over the ship until I was almost killed; it was several weeks before I could stand up. I had two men with me from Houston that took care of me. I got them down on the ranch to try to get out these logs. Some of the people had agreed to buy some work stock in the way of cattle to help haul out the logs. We thought we could start in it with the natives we could hire. We had some natives at that time on the property. In the meantime I went over to Zavala and stayed with E. E. Morgan, the man that was murdered on the 8th of April of this year, and I stayed there and doctored myself up with him because he had a nice place to stay. And I visited over at Salina Cruz some after I got so I thought I could navigate. I had him take me back down and take me down to the grounds. He starts and goes back to his ranch. On Saturday I got on a horse with the rest of the boys and we took a pack mule, and they started out to show me where we had better land the raft of logs and looked the thing over. We went out and stayed overnight—I believe we went out on Thursday and came back on Saturday, we were gone two or three days—anyway I came back on Saturday, and we had it all planned where we were going to start our logging.

I was sitting at a table a little longer than this one Sunday afternoon writing some letters to my folks, and I thought it would be several weeks or months before I could write any more. The boys had been out hunting that afternoon and they had left an old shotgun lying on the end of the table. They had taken our guns away from us in Puerto Mexico—they were pump guns—and 350 shells. They said they would not allow us to take them in because it was dangerous. I had papers from the War Department that I had taken these guns out of there and could take them back whenever I wanted to; but they thought it would be dangerous, and I had to leave the guns there with them. I kept insisting on the guns; I thought I had to have them there because there were so many tigers up in my country; but finally the German consul offered to get them for me if I would give him $10, but I would not trade with the German consul and he gave me a hint; he said, "You are a d—— fool to go up there unless you go as an Englishman or a German." I said, "All right, I will try it anyway." Along about 2 o'clock there was a native woman sitting at the sewing machine and she jumps up and runs and grabs this gun, and as she did so she was so excited she said something hurriedly to me. She said there were bandits coming. I could not understand her she was so excited, and she rushed out the side door and I followed her out to see what she was doing, and she was sticking that gun under the house. She let the butt stick out, and I said, "If you are going to hide it, stick the whole thing under." I thought maybe she wanted to hide the gun so the boys could not hunt. As I started back there a man came—I saw a man coming. Our house was boarded about that high [indicating] and the balance had a screen. I was looking through the screen and I saw a man coming along with a slouch hat on. I saw he had a gun; I thought that is what's up, some fellow is coming wanting to hunt. I breezed out the door to meet him, and as I did I saw he had a great big No. 10 American gun like I used to have myself, and he had a belt of shells around this way and that

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way and around here, and he had a big revolver and a knife, but I still didn't get excited, because there is lots of game in that country. Just then Mr. Porter, a young lawyer, came out from the cookhouse. but Porter did not get there quite as quick as I did. He was in his shirt sleeves; but, anyway, he commenced talking to Porter, but I held out my hand to admire the gun and he gave me a look that sent chills down my back, and then I glanced around my eyes out into the barn lot and saw about 25 of them, and they were bandits.

I went into the house, and the woman in there grabbed me by the arm, and says, "You want to keep away from that man: that is a bad man; that is the man that killed the captain of the Oaxaquena boats last week." I said to her, "Well, he looks it." I grabbed my grip with the two revolvers and watches and what money I had and stuff was sitting on this table where I was writing, and I ran and clamped that grip shut and went through the side door and went to the cookhouse, and that old woman that was doing the cooking up there was all excited and scared to death. She grabbed me by the arm, and said, "If you will go up the river and hide, we will get them after you, and that will save us." I was still walking with a cane. I knew I would have to go about 200 yards where they could see me if they were looking. There was broom grass standing about a foot high, and I says, "I guess that's the only way," and I started up and went as close as I could to the broom grass; it was raining a little bit. And when I got along where the path turned I looked back and seen they had not seen me. I kept the house between them and me. I knew it could not be very long before they would be after me. I walked along in the path and I made plain tracks, and I stepped off on the other side and scuffled along until I saw that I was not making any tracks, and I jumped out of the path into the bamboo where it was very thick and hid, and I sat down and got my guns out where they could not see me, and I was on the wind side when the wind was blowing from the river. I had not been there more than a minute or two until I could hear them coming, when they went by me Indian file, and there I was sitting in the rain; I did not know whether I dared go back to the house, or whether they had left somebody back there. I knew if I stayed out all night I would have to have a fire to keep the tigers away from me. I knew if I done that they would know where I was, and I was in a bad fix. I suppose I sat there about an hour.

We were expecting a bunch of men in there from California; they were due at that time. They usually came in there on Sunday, but I had given up hopes, because there was so much friction going on in Mexico at that time that I did not have any idea they would ever come. In about an hour I heard the sound of a boat, and I commenced listening and I knew it was the boat. My first thought was I would rush down to the river and I would notify them and have them to come in and tell them for fear they would run into some of the bandits there at the house. I knew they did not have any guns, but the river was so wide and they were out so far and had the curtains down that I did not take any chances, but I went back to the house, and there wasn't any bandits left there. Now, going back I made up my mind them fellows was coming back again; they know I haven't got any gun; the chances are they will be back

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in the morning, and the only chance to save our lives will be to play their bluff for bravery. Mr Porter met me as I came out to find out what my experience had been, and I said, "Now, let me do all the talking for this crowd, don't say nothing about being held up." I went in to dry my clothes and I told the Indians not to whimper a word that they saw the hold-up. After we got in and all settled I told Mr. Morgan about what had happened. I told him that I thought they would be back the next morning. We must keep these men out laughing and joking around and he must be out and meet them when they came. So the next morning at daylight he worked very hard to get the horses saddled before breakfast so as to get these men out into the interior before they would come.

The CHAIRMAN. These the Americans?

Mr. POORBAUGH. Yes, sir. Well the Americans were there; they had arrived. Mr. Baxter, a friend of mine, was there, a man that had been there several trips. I never told him a word. About daylight I had a field glass and I went out and began to watch. I finally seen them coming. I went in and told Mr. Morgan, and we put the dinners in a little sack and put them on the horses on the horn of our saddles. I told him, "They are coming," and Mr. Morgan showed fear. He had had a great deal of experience with bandits and he showed fear. He had one of those Colt's automatics. I said, "You take that fellow off to one side and talk to him, and if you see you can't settle with him and he is bound to get our guns, shoot him and get his gun, and at that moment I will have Porter in the saddle room with a gun pointed at them, and I will be in the yard with my hand on my revolver, and the moment you make a move we will all shoot at them." He went out and it seemed he was talking an hour.

We had one man named John Walker who stepped up after these men stopped there, and he looked kind of scared. He said, "Who is that bunch there?" I said, "That is a bunch of natives, they always come in here when we have a bunch of men here, they think they may get contract work," and they were laughing around and talking, and old John steps up in front of this bunch and threw both hands up, playing they were bandits. I dared not say anything. I got around to old John and jerked his coat and told him what they were. I said, "Fellow, get out." Mr. Morgan was telling them that these men cared nothing about them, that they will shoot their eyes out with revolvers if they started anything, and the only show you have got is to come out and play the game. He was so weak that he could not hardly come out, but he came out. Afterwards Mr. Morgan broke away and came. I dropped in his way and he whispered to me that they had settled. I found out afterwards that he went back and paid them, he gave them $50 in money and some boots. The reason it took so long he insisted on the guns. Well, I went, that settled me. Up to that time I had not made up my mind that I would still return home, but after that I went and got these two boys together, I says, "I am going to go to Vera Cruz with them, and while they are going to Florida and around that way home, we will take boats and go to Tampico and from there to Galveston." Mr. Bennett promised to go, but Mr. Porter would not go. Mr. Porter was a lawyer. He had sold his law library in Houston to get the money to go down there. He

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had a family, two children, two or three children in Indiana, they had been sent back there to his wife's father. He felt he had nothing to go back to and the prospects looked good to him, and a cattleman had offered him half of his cattle ranch to stay there and take care of them. I divided some money with him and gave him my .38 revolver, and that is the last I ever seen of Porter, never heard of him from that day to this. I went to Vera Cruz on that train with these men, and had a visit with Mr. John Lind. I thought if I could get any encouragement there I would return. In the meantime Mr. Bennett had decided to stay with Mr. Porter another week, that he hoped that he could get him to come with him and they would go down to Puerto, Mexico, which he did, and I never heard from Porter any more. As I didn't get any encouragement from Mr. Lind, he was sent there for just one purpose and that was to drive Huerta out of there, to get him out in some shape, and while it looked as though they were trying to put Carranza in, I did not think half as much of him as I did of Huerta and the prospects, and so I told him that if I could not get any encouragement there I was going home, that I was going to try to forget my losses there and start life over again, that I had no hope whatever in what was going to take place, and I went up from there to Tampico, and from there to Houston, and a few days later, why, the troops had landed at Vera Cruz, and this crowd came out that was landed there at Galveston.

The CHAIRMAN. Have you been back since?

Mr. POORBAUGH. No, sir; I have not been back since.

The CHAIRMAN. Are there any of the other colonists there?

Mr. POORBAUGH. No, sir; I do not think there has been any of our colonists or any people on that ranch since I was there. I visited a number of their homes on that trip I was there, there was absolutely nothing to be found in their houses, lots of them were well furnished, with the exception of the cook stove, and cook stoves seemed to be in the places where they were without being molested in any manner. Every house had a cook stove, absolutely nothing else in the house except the cook stove, what farm machinery they may have had out around in the back lot, you will find lying around there, that was not molested, but everything else, you could see where a great many of the houses had been used for chicken houses.

Senator SMITH. Who were those, that band of robbers that made this assault on you there, whom did they represent, do you know?

Mr. POORBAUGH. They represented just themselves, little squads would gather up to make money out of it. Now, in justice to the old man that is dead, I want to explain what became of him. We got to Vera Cruz on the night, I think it was Tuesday night, and that night I wrote a letter to Huerta and told him all about what had happened. I had had quite a little correspondence back and forth with him about this gun business, and on Friday that band got back there and carried everything off that was on the place. They had stripped their people, Mr. Bennett told me they had stripped the natives naked and turned them loose and got everything that was worth anything on the entire place and carried it off.

The CHAIRMAN. They claimed to be revolutionists against the Huerta administration?

Mr. POORBAUGH. Oh, no, no; they were just out for the money. The Huerta soldiers, a squad of them, were sent out from San

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Lucrecia, it was not a very great distance, however, on Saturday, and caught up with those fellows within a mile of our place and killed 18 of them, and they had taken 7 of them and took them into Puerto Mexico, and while Mr. Bennett was getting on the ship to Galveston those seven were taken out and shot, and the story was given out that they tried to get away, and that wound up that bunch of 25.

Senator SMITH. They were captured by the Huertistas?

Mr. POORBAUGH. Yes, sir; they were captured by the Huertistas.

Senator SMITH. What has the condition been so far as you could ascertain as to the safety of anybody going back there now, and if it is not as safe, what are the present conditions?

Mr. POORBAUGH. The present conditions from all that I can hear—of course, I am keeping in touch with friends and people in various ways, and have very closely since I landed in this country in May of this year—I had been a year over in the Orient, China, Japan, and the Philippines, and while I was over there, of course, I did not get much of any news, but in the meantime I had not given up hope of Mexico. My son being interested in cocoa-nut oil, I decided to buy the Zavala Ranch, and we had to send some money to Mr. John Baxter here—by the way, Mr. Baxter's letter here this morning might interest you—we sent him to Kansas City to find out what this property could be bought for and asked him to cable us, and he cabled us that it would cost $150,000. We had decided we would take it; so we went to—when we got to San Francisco we cabled Mr. Baxter that we had to be in New York shortly and to meet us in San Antonio and ride with us to Houston and we would talk with him on the way and make our arrangements. The first thing he told me when we got on the train here at San Antonio was that Mr. Morgan had been killed on the 8th day of April. We had figured that there was about 125 head of natives on this ranch, and we would put Mr. Morgan in charge and have him put them to work putting out cocoa nuts. And it took about 8 or 10 years to get them to bear. When we found out Mr. Morgan was dead, and not knowing what had become of the ranch we had lost all hope. We had given Mr. Baxter what we thought was ample expense money, but my son gave him another $50 bill and told him to go home and try to forget it.

The CHAIRMAN. I think we have in our files an account of the death of Mr. Morgan.

Mr. POORBAUGH. I was very well acquainted with Mr. Morgan.

Senator SMITH. Who was in possession, if you know, what particular faction was exercising jurisdiction or control over that particular land?

Mr. POORBAUGH. Well, so far as I know, nobody, since Carranza has been recognized; I suppose it is the Carranza faction. At the time I left there one proposition I made to Mr. John Lind was that if he would go out and travel with me 30 days and we would travel through the interior and central part of that country, and we would take an exhibit to him everything that had white blood in it, and if 85 per cent of them didn't agree with me that Huerta had given us a better government than Madero had, and he was their choice of all

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the prospects there was in Mexico, I would pay all expenses of the trip.

Senator SMITH. I am trying to get at this particular time, I want to get, if I can, from anybody who knows, what effort at order is being made, what protection of life is being offered to Americans down in that country where you speak of?

Mr. POORBAUGH. None whatever.

Senator SMITH. Who has control of it at this time?

Mr. POORBAUGH. Well, it is supposed to be Carranza, but there is nobody got control.

Senator SMITH. I mean, it is within what is the jurisdiction of Carranza?

Mr. POORBAUGH. Yes, sir; it is within the jurisdiction.

Senator SMITH. And within that jurisdiction you do not think Carranza or anybody else has any control of it?

Mr. POORBAUGH. No, sir; the Government of Mexico is in more the shape of China; it has got a dictator of the north and a dictator of the south; and every city makes its own money in China, and that is about what it does in Mexico. Every district or any village of any size in the country has got its own dictator.

The CHAIRMAN. In what State is this land of yours?

Mr. POORBAUGH. The lower end of Vera Cruz on the Isthmus Railroad, it was south of the Isthmus Railroad.

The CHAIRMAN. Who is the governor of the State of Vera Cruz; do you know?

Mr. POORBAUGH. I don't know. There is one other thing I would like to call to your attention.

The CHAIRMAN. Very well, sir.

Mr. POORBAUGH. It looks as if I had been picked in my title. I don't know whether you folks could assist me in any way, shape, form, or manner about it. When I was in the Philippines I got a letter from Mr. Parker; he paid my taxes for about eight years; he had paid taxes for all of our people down there, and when I got home here this year I received this letter, written the 31st day of July, but I didn't get it until some time in August, but as the letter will show you he asked me to show him my deed, but not the abstract, and that he has fixed my particular title, although it was a court of fomento title, that it would have to be sent there for them to validate under this Government, under Carranza rule, and he sends me this copy that he had translated from the Spanish, that I should keep as my receipt for this deed. He goes on to say that the Washington Government here has recommended that we do this. I took the deed and went to the post office and mailed it to him. I have never heard a word from it. I have got my tax receipts—that is, I paid them every year—every year in December he has been sending me the tax receipts, and telling me about what the taxes would be for next year; I would always keep a little ahead there. I didn't hear a word about my tax receipts, nor my probable taxes, nor about my deed. After writing a number of letters to him I went to the American consul and he asked me to write him a letter, which I did, to give the statement to him in regard to what I had done. I don't know whether any of these letters will do any good or not, but from what I have heard since that time I understand that is coming

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to be a common thing down in that country. Now, I don't know whether that man Parker has been killed or whether these records fell into——

Senator SMITH. I presume this comes within the line of notices given to landowners in Sonora, that they would steal their lands, they were going to be confiscated.

Mr. POORBAUGH. This shows that it has been in the hands of French heirs, a family in France; the Ferdona people are French, and it has been in their hands for more than 150 years.

The CHAIRMAN. This circular is circular form, to be filed by a land owner, certificate to be made by him.

Mr. POORBAUGH. I signed one of these and that was the copy I was to keep. I signed the other one, it was in Spanish, that one in connection with my deed, but this letter is what I sent it in. I think if our own Government had recommended it, of course, I was safe in doing that.

The CHAIRMAN. This is an act of February 21—not an act, but it is as usual, it is an Executive Order of the President of Mexico of February 21, 1918, forfeiting certain concessions, grants, and requiring individuals claiming lands, then those who sent down there for reregistration their titles, make claim.

Mr. POORBAUGH. Yet the President of Mexico, at the time he made this speech to us, assured us the court of fomento title was absolutely perfect and could not be overthrown by any government.

The CHAIRMAN. This President of Mexico has shown you about that. You are speaking of another President?

Mr. POORBAUGH. Yes. I don't know. I don't concede the fact he was elected President. I don't know whether the United States can appoint one and make one down there legally or not. I happen to know something about his election. I know he wasn't elected. I know another thing, there never was a person elected in Mexico. Huerta was man enough to come out and tell us he would pull off the stunt, but he didn't want any of our intelligent people to think he was going to pull off an election. Mr. E. E. Morgan told me about several of those elections. He told me they required the boys to pay 25 cents a piece to sign their names, but when Mr. Huerta was elected the same stunt was pulled off in the same way; they had no chance to put their names on the paper either for Madero or Huerta, but they were charged 25 cents.

The CHAIRMAN. We can have these papers copied.

Mr. POORBAUGH. That is what I think, if you can use them. I will have them copied, because they are all I have got.

The CHAIRMAN. Very much obliged to you.

TESTIMONY OF O. G. COMPTON.

(The witness was duly sworn by Dan M. Jackson, Esq., clerk of the subcommittee, duly authorized.)

The CHAIRMAN. We are meeting the convenience of witnesses as nearly as we can, and when one is here who must leave we will take his testimony out of rotation—that is, we will take evidence upon some other subject than that which we have been following—to meet the convenience of the witness.

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What is your name, sir?

Mr. COMPTON. Compton, O. G.

The CHAIRMAN. Where do you live, Mr. Compton?

Mr. COMPTON. I live in San Antonio.

The CHAIRMAN. You are an American citizen?

Mr. COMPTON. I would hate to think otherwise. Yes, sir.

The CHAIRMAN. Have you had any experience with reference to Mexico, or to disturbances from this side?

Mr. COMPTON. Yes, sir; I was in the Glenn Springs raid, May 5, 1916.

The CHHAIRMAN. Where is Glenn Springs?

Mr. COMPTON. About 75 miles south of Alpine.

The CHAIRMAN. How far from the international border?

Mr. COMPTON. It is between 8 and 9 miles from the Rio Grande.

The CHAIRMAN. When was the raid you speak of?

Mr. COMPTON. May 5, 1916.

The CHAIRMAN. Were there American soldiers there?

Mr. COMPTON. Nine.

The CHAIRMAN. What occurred there, Mr. Compton? Just tell it in your own language.

Mr. COMPTON. A bunch of Mexicans ran in there that night about 11 o'clock and began to shoot things up immediately and set the soldiers' quarters on fire, the barracks.

The CHAIRMAN. How many people were there in Glenn Springs, about?

Mr. COMPTON. There were the nine soldiers and my family and Mr. Ellis's family and several Mexican families, but that immediate night I don't think there was but three Mexican families that was in their quarters; they were nearly all off on a visit, different places.

The CHAIRMAN. Glenn Springs, of course, is in Texas?

Mr. COMPTON. Yes, sir; Brewster County.

The CHAIRMAN. You say the soldiers' quarters, or barracks, were set on fire?

Mr. COMPTON. Yes, sir.

The CHAIRMAN. Was there any fighting?

Mr. COMPTON. Constantly from 11 o'clock on until nearly daylight.

The CHAIRMAN. Who was engaged in the fight?

Mr. COMPTON. These Mexicans, these nine soldiers and myself.

The CHAIRMAN. How did you happen to become engaged in the fight?

Mr. COMPTON. I was living there, Senator.

The CHAIRMAN. You didn't attack these Mexicans?

Mr. COMPTON. No, sir; they attacked us, and it was either fight or get killed. We were surrounded.

The CHAIRMAN. Were any Americans killed?

Mr. COMPTON. There were three American soldiers killed, and my little boy, 5 years old.

The CHAIRMAN. How was your boy killed?

Mr. COMPTON. Shot through the heart. The bullet went through that arm (indicating the left arm) and through the heart.

The CHAIRMAN. Where was he at the time he was shot?

Mr. COMPTON. He was standing right in the middle of the room, right in front of the door.

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The CHAIRMAN. Was it at night?

Mr. COMPTON. Yes, sir.

The CHAIRMAN. Were any of these Mexicans identified, or was there any method of identifying them?

Mr. COMPTON. Well, there was three of them brought back to the United States by Col. Sullivan and Maj. Longhorn's troops when they went in.

The CHAIRMAN. That is, the American troops went across the line?

Mr. COMPTON. Yes, sir.

The CHAIRMAN. Captured some of the raiders and brought them back?

Mr. COMPTON. Yes, sir.

The CHAIRMAN. They were identified, were they?

Mr. COMPTON. Yes, sir.

The CHAIRMAN. They were identified as having been in that fight?

Mr. COMPTON. One of them was identified as being in this fight, and the other two, I believe, in the Boquillas raid.

The CHAIRMAN. To what faction, if any, did these Mexican people claim to belong?

Mr. COMPTON. Well, they were "Viva Villa" and "Viva Carranza" both. This general, I believe, had Carrancista papers on him.

The CHAIRMAN. Which general?

Mr. COMPTON. I can't tell you his name now.

The CHAIRMAN. One of these men who was arrested, you mean, by our soldiers?

Mr. COMPTON. Yes, sir; and brought back to the United States.

The CHAIRMAN. But he was known as a general, was he?

Mr. COMPTON. A colonel.

The CHAIRMAN. Under what command? Do you know who he claimed to give allegiance to?

Mr. COMPTON. No, sir; he wouldn't tell it.

The CHAIRMAN. But he had some papers on him, however?

Mr. COMPTON. Yes, sir; he had some papers on him.

The CHAIRMAN. What did those papers show as to his identity?

Mr. COMPTON. Well, I believe that it would show he was commissioned in the Carranza army as a colonel.

The CHAIRMAN. I think we have in our records a statement of some of the Army officers there as to the identity of these men. Was there any robbery committed out there?

Mr. COMPTON. Yes, sir; they carried off everything they could carry off—everything that they wanted out of the stores—and carried everything out of my home but the big cookstove and the iron bedsteads; of course, they didn't want them.

The CHAIRMAN. They got possession, then, of the property, did they?

Mr. COMPTON. They got possession.

The CHAIRMAN. How long did they remain there?

Mr. COMPTON. Twenty-three of them—I believe it was 23—remained until about 7 o'clock the next morning.

The CHAIRMAN. What became of you and the other members of your family in the meantime?

Mr. COMPTON. Before these soldiers broke for liberty out of this burning building I couldn't do nothing with my little girl 9 years

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old, she kept hollering and crying, she wanted me to take her over to the wash woman's house. I told her I would if she would hush crying, and get on my back so I could carry her, it must be about 100 yards over there. I carried her on my back over there and turned her over to this Mexican woman and told her to take care of her. She told me she would. She proceeded to wrap her up in a black shawl like all Mexican kids are wrapped up. I started back to the house to get these boys that were asleep at that time. I got between the boiler room and the blacksmith shop, between 50 and 75 yards from my house, and these soldiers broke for liberty. Sergt. Smith hollered, "Don't shoot, Compton, this is Sergt. Smith." I dropped down, but instead of him coming to me, he popped out on a hill, and I didn't see him any more. These Mexicans followed him, looked to me like 25 or 30 of them. They attacked my house and I proceeded to warm them up.

The CHAIRMAN. You shot at them?

Mr. COMPTON. Yes; and I thought I heard Mexicans walking on that cinder path trying to get in behind me, and I backed up into that space by the boiler room. I didn't want anybody to get in between me and that light, or shoot back and forth in right around the light that was back away from this fire here. I got out of the boiler room and got behind a rock about the size of that table, and stayed there the balance of the night. There was a trail going west out behind the boiler room, and while I was behind that rock, I judge it was 2.30 or 3 o'clock in the morning, these Mexicans left there, going up the river on horseback, all except 20 or 25 of them, they stayed there and took these soldiers' horses and mine, and Mr. Ellis's horses, and took what they wanted of them, and they went south the next morning about 7 o'clock.

The CHAIRMAN. Any of the Mexicans killed?

Mr. COMPTON. There was only one of the men left on the ground. Several puddles of blood around there, like—several puddles of blood, like you might have been killing a bunch of sheep.

The CHAIRMAN. How many boys did you have?

Mr. COMPTON. I had two boys and a girl.

The CHAIRMAN. What became of the boy who was not killed?

Mr. COMPTON. He stayed there in the house. They didn't bother him. He was deaf and dumb, and I am satisfied that some of these Mexicans knew it, because they knew how to get in this store.

The CHAIRMAN. They killed the other boy?

Mr. COMPTON. They killed the little one; yes, sir.

The CHAIRMAN. What was done with those Mexicans who were arrested by our soldiers, do you know?

Mr. COMPTON. Yes, sir; they were brought to Marathon; the sheriff came down from Alpine and carried them to Alpine and put them in jail.

The CHAIRMAN. Do you know whether any of them were tried?

Mr. COMPTON. Three of them were tried; yes, sir; and sent to the penitentiary.

The CHAIRMAN. Have there been any other raids, either prior to this or subsequent, that you know of, there along that border?

Mr. COMPTON. Well, there has been—a Ranger customhouse—one up the river 40 or 50 miles from there; and there are frequent raids, Senator, all up and down the river, taking stock across.

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The CHAIRMAN. You could hear of them every few days?

Mr. COMPTON. We expected a raid this very night. It had been rumored around there for a few days that that night they were going to shoot up Terlingua, but they didn't; they attacked Glenn Springs and Boquillas.

The CHAIRMAN. They did raid Boquillas that same night?

Mr. COMPTON. The same night, and carried Mr. Deemers into Mexico with them.

The CHAIRMAN. How far is Boquillas from Glenn Springs?

Mr. COMPTON. I believe it was 23 miles; that is right on the river, not over a mile from the river.

The CHAIRMAN. Do you own your own home there at Glenn Springs?

Mr. COMPTON. Not there; I own a section of land down on the river. I had only been up there nearly two months.

The CHAIRMAN. Did you leave Glenn Springs immediately after this?

Mr. COMPTON. Yes, sir; I left there Monday morning after the raid Friday night.

The CHAIRMAN. That is all, Mr. Compton.

The CHAIRMAN. I understand Mr. Schuls, the witness we expected, has a sick child. Of course, that is sufficient excuse; this is not a formal court proceeding, but I hope the witnesses who are subpœnaed here will remember they are under process, and they will be in attendance unless there is a very good excuse for nonattendance in which case they will notify Capt. Hanson or the secretary of the committee. Senator Smith is compelled to be absent for a while, and the committee will be in recess until to-morrow morning at half past 10 o'clock.

(Thereupon, at 4.30 o'clock p. m., the committee recessed until Friday, January 16, 1920, at 10.30 o'clock a. m.)

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INVESTIGATION OF MEXICAN AFFAIRS.

FRIDAY, JANUARY 16, 1920.

SUBCOMMITTEE OF THE COMMITTEE ON FOREIGN RELATIONS,
UNITED STATES SENATE.

The subcommittee met pursuant to adjournment at 10.45 a. m. in the Pink Room of the Gunter Hotel, San Antonio, Tex.

Present: Senators Fall (chairman) and Smith; Dan M. Jackson, Esq., clerk of the subcommittee.

TESTIMONY OF J. G. SCHULS.

(The witness was duly sworn by Dan M. Jackson, Esq., clerk of the subcommittee, duly authorized thereto.)

Mr. JACKSON. Give your name to the stenographer.

The CHAIRMAN. Give your full name.

Mr. SCHULS. Schuls is my name; J. G.

The CHAIRMAN. Where do you live?

Mr. SCHULS. San Antonio at present.

The CHAIRMAN. Are you an American citizen?

Mr. SCHULS. Yes, sir.

The CHAIRMAN. Where were you born?

Mr. SCHULS. State of Iowa, in the year 1864.

The CHAIRMAN. Have you lived in Mexico?

Mr. SCHULS. Yes, sir.

The CHAIRMAN. When?

Mr. SCHULS. We were there since—we were there—before we came to San Antonio at the present, why, we were there two years and a half.

The CHAIRMAN. What year?

Mr. SCHULS. We went there in 1916 and came back here in October.

The CHAIRMAN. What portion of the country were you in?

Mr. SCHULS. We first went to San Luis Potosi; that is in the state of San Luis.

The CHAIRMAN. What were you doing?

Mr. SCHULS. I was trying to go to ranching, until I got in with a man over in the Rio Grande country. He lived in the City of Mexico, so after I lived a while in San Luis Potosi, I moved my family to the City of Mexico, because I thought it would be safer there than in San Luis Potosi, but it proved to be worse in the City of Mexico than in the State of San Luis Potosi.

The CHAIRMAN. Did you live in the city or in the Federal district?

Mr. SCHULS. Yes; we lived in the Federal district, in the suburbs, in a little place called Colonia del Valle.

The CHAIRMAN. You say you thought it would be safer there?

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Mr. SCHULS. We thought it would be; yes.

The CHAIRMAN. You mean to say it was not safe, or you did not consider yourselves safe in San Luis Potosi?

Mr. SCHULS. No, sir; no, sir; we were bothered there all the time.

The CHAIRMAN. What year was that?

Mr. SCHULS. In San Luis Potosi?

The CHAIRMAN. Yes.

Mr. SCHULS. That was in 1916, and the next year then we moved to the City of Mexico and there we moved in one afternoon in a little house in Colonia del Valle, and we did not know they went through the wall until next day, and when we moved in the people went through the wall and got five pigs. We began to raise pigs.

The CHAIRMAN. Pigs?

Mr. SCHULS. Yes, sir; the place was probably 300 feet or more square, and the boy woke up that night dreaming, and that is the way I scared them away, but they would go and take them all, and after that I had to stay in my house every night with my rifle and six-shooter.

The CHAIRMAN. Well, who were they?

Mr. SCHULS. Well, as far as I could learn they were all Carrancista soldiers; they were all over there in the valley, right east of me.

The CHAIRMAN. Well, in San Luis, who was it giving you the trouble?

Mr. SCHULS. Well, generally what they call bandits there.

The CHAIRMAN. Were there any Government or Federal troops in the neighborhood, Mr. Schuls?

Mr. SCHULS. Yes, sir; lots of them.

The CHAIRMAN. They could not afford you and your family protection?

Mr. SCHULS. Oh, no; no.

The CHAIRMAN. Did they try to?

Mr. SCHULS. No, sir. When in the City of Mexico, when we applied for aid there, why they told us that they had no time to wait on us at all. Carranza last summer took all the pistols away from the policemen; every policeman in the City of Mexico has no gun at all; all that he has is a stick.

The CHAIRMAN. Where is the American colony situated in Mexico City; if you know?

Mr. SCHULS. I do not know of any. I did not get acquainted around there in that colony, where we was; what they call Colonia del Valle; there was five or six Americans in there, and there was a big French dairy, and there was two or three English families living there where we were, and the rest of them were Mexicans.

The CHAIRMAN. Were you ever in the City of Mexico at night?

Mr. SCHULS. No, sir.

The CHAIRMAN. Have you at any time acquired any property in the Republic of Mexico?

Mr. SCHULS. Yes, sir. We had some in San Luis which we sold last summer; or I mean last spring rather, my wife went there and sold it. We fixed our deed in the City of Mexico and she went up there to receive the money, and on her way coming back she was robbed at Queretaro at noon.

The CHAIRMAN. You mean the city of Queretaro?

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Mr. SCHULS. As the train stopped there for dinner she went in and was robbed.

The CHAIRMAN. How much was taken from her?

Mr. SCHULS. Two thousand American dollars. We got it all in American gold in San Luis.

The CHAIRMAN. Who robbed her?

Mr. SCHULS. Mexicans.

The CHAIRMAN. In the city of Queretaro?

Mr. SCHULS. Yes, sir; right at the railroad station; and she was also anxious when she was in the train.

The CHAIRMAN. In the train?

Mr. SCHULS. Yes, sir; the way it happened——

The CHAIRMAN. When was that?

Mr. SCHULS. That was the latter part of March.

The CHAIRMAN. Of 1916 or 1917?

Mr. SCHULS. No; of this last year, 1919.

The CHAIRMAN. Oh, 1919.

Mr. SCHULS. Yes, sir; this year, 1919; yes, sir.

The CHAIRMAN. Well, Queretaro is the city where Mr. Carranza lives a part of the time; does he not? Retires from the City of Mexico to Quaretaro?

Mr. SCHULS. That I could not say.

The CHAIRMAN. Do you know whether that is the city where they formed the constitution of 1917?

Mr. SCHULS. Yes, sir; yes, at that time; yes, sir.

The CHAIRMAN. How far is it from the City of Mexico by train; what time does it require?

Mr. SCHULS. Well, now, it takes a good deal of time. It took my wife from noon that day until half past 2 the next morning, when she arrived in the City of Mexico. Sometimes we have no trains, and again our trains are very late.

The CHAIRMAN. Ordinarily it is about a four-hour run by train?

Mr. SCHULS. Ordinarily it is about a four-hour run.

The CHAIRMAN. Were the federal soldiers in Queretaro?

Mr. SCHULS. Yes; they probably had a company of soldiers on the train, they carry that many and sometimes more on the train.

The CHAIRMAN. Do you mean when the train was robbed?

Mr. SCHULS. Yes, sir.

The CHAIRMAN. How many people robbed it?

Mr. SCHULS. There was nobody robbed in the train but my wife, of course; they may have robbed others, but the way I look at it was that when she drew her money in the city of San Luis Potosi the man that paid the money must have given the conductor a tip that she took the money with her, and when she got there somebody hurt the baby and she reached over to get the child and somebody stole everything she had. They called the soldiers out and there was somebody running and they shot at them here and there, but they never rounded them up. They got into the wrong car, my wife was in the Pullman and these fellows had no business in there, and that is the way I said to my wife, that it was all cut and dried.

The CHAIRMAN. When did you come out of Mexico?

Mr. SCHULS. We started on the 9th day of October.

The CHAIRMAN. Did you have any property anywhere else in the Republic of Mexico?

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Mr. SCHULS. Yes, sir; I have a little ranch over there at Rosalia, in the State of Chihuahua.

The CHAIRMAN. Santa Rosalia?

Mr. SCHULS. Yes, sir.

The CHAIRMAN. Why don't you live on it?

Mr. SCHULS. I can not.

The CHAIRMAN. Why?

Mr. SCHULS. Why, it is not safe at the present.

Senator SMITH. Why?

Mr. SCHULS. Because they rob you, and not only that, but they would probably kidnap me and hold me for ransom, and kill me. That is the reason we got out now, we could not stay. I went there when Carranza said that all Americans that wanted to go to work and have property he would protect us, but he never protected us at all. As long as we had money he would protect us. He stole all our money this time.

The CHAIRMAN. How much land did you own in Camargo?

Mr. SCHULS. There were 3 leagues of it, or 3 leagues that I had there. Also my wife has 1 league there that her father gave to her. There was a lawyer in San Luis Potosi—she probably knows his name; I have forgotten it now—that took her papers and went up there to look over the records, but she never saw him again, she stayed a week there but she never saw this man again.

The CHAIRMAN. How much land did you own in San Luis Potosi?

Mr. SCHULS. We had just a little house and lot that we sold there.

The CHAIRMAN. What means did you have when you went to Mexico, about how much property and money?

Mr. SCHULS. Well, we had something like $4,000 when we went there; that was the money that I made in Mexico, that I saved out of the wreck after they robbed me up there.

The CHAIRMAN. I mean when you went into the Republic of Mexico?

Mr. SCHULS. Oh, when I went in there first?

The CHAIRMAN. Yes, sir.

Mr. SCHULS. I went into the Republic of Mexico with something over 6,000 American dollars.

The CHAIRMAN. How much did you come out with?

Mr. SCHULS. Well, I came out with a good deal less than that, after making improvements and everything, and I bought a farm, etc., down there, and I spent more than that money to buy mules and horses and implements.

The CHAIRMAN. What became of your mules, horses, and implements?

Mr. SCHULS. They were all stolen. After Madero overthrew Diaz a bunch of bandits came here and there and they began to rob, and then when Madero was killed, well, it was precisely the same people, because the men who were fighting for Madero are the same men who are with Carranza to-day; precisely the same people. When Madero overthrew Diaz he went to the penitentiary and unlocked the doors and said, "Every man that will fight for me, all the loot that he can steal will be his."

The CHAIRMAN. Well, you do not mean Madero personally said that; you mean some of his leaders, Mr. Schuls?

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Mr. SCHULS. Well, I do not consider Madero any better than the rest.

The CHAIRMAN. I believe that is all, Mr. Schuls; thank you.

TESTIMONY OF W. W. MILLER.

(The witness was duly sworn by Dan M. Jackson, Esq., clerk of the subcommittee, duly authorized thereto.)

Mr. JACKSON. W. W. Miller?

Mr. MILLER. Yes, sir.

The CHAIRMAN. Where do you live, Mr. Miller?

Mr. MILLER. San Antonio.

The CHAIRMAN. Are you an American citizen?

Mr. MILLER. Yes, sir.

The CHAIRMAN. Native born?

Mr. MILLER. Born in Iowa.

The CHAIRMAN. Have you lived at any time in Mexico?

Mr. MILLER. Yes, sir.

The CHAIRMAN. Had business there?

Mr. MILLER. Yes, sir.

The CHAIRMAN. What was your business?

Mr. MILLER. I had land and cattle.

The CHAIRMAN. When did you go there?

Mr. MILLER. In 1906, in June, 1906.

The CHAIRMAN. How long did you remain?

Mr. MILLER. Well, at that time I only remained a month. I had been down there. I had made eight round trips down there—had made nine round trips.

The CHAIRMAN. When did you first make investments there?

Mr. MILLER. In 1907.

The CHAIRMAN. And what has been your experience in Mexico with your investments?

Mr. MILLER. I put it down there and I can't get anything out.

The CHAIRMAN. What was it in 19—what was the condition in 1906, 1907, and 1908?

Mr. MILLER. In 1906 I went down there, and through J. J. Fitzgerald, in Mexico City, and others, and Senator Castellot was with us, he was the president of the Mexican Senate——

The CHAIRMAN. He now lives in New York?

Mr. MILLER. Well, I do not know what became of him. And he said conditions were good down there and they invited American capital down there, and I thought conditions were safe, and I wrote it to my friends here that I thought that the conditions were just as good for investments of capital as in the United States.

The CHAIRMAN. Well, what were the conditions then?

Mr. MILLER. Well, they were good; I never had any trouble as long as Don Porfirio was in office.

The CHAIRMAN. You did later have trouble?

Mr. MILLER. Well, they took our cattle.

The CHAIRMAN. When?

Mr. MILLER. Well, they commenced taking them prior to December 1, 1911. I have a letter that I wrote to the President on December 15, 1911, asking for protection.

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The CHAIRMAN. What President?

Mr. MILLER. President Taft.

The CHAIRMAN. Did you get any protection?

Mr. MILLER. No, sir; I never, not under Taft or Wilson, or Don Porfirio, or any other string of Presidents—after Don Porfirio left. Under any other President we had down there we had no protection, and we had mighty little before that when it came down to that.

The CHAIRMAN. What was the subject of your communication to Mr. Taft?

Mr. MILLER. Well, I have a copy of the letter right here. [Witness produces letter.]

The CHAIRMAN. Just read that, if you have no objections to its going in the record.

Mr. MILLER. Why, none at all. [Reading:]

DECEMBER 15, 1911.

Hon. W. H. TAFT,
President of the United States,
Washington, D. C.

MR. PRESIDENT: Myself and partner have something over $200,000 gold invested in Mexico.

Owing to the unsettled political conditions, and especially the unprotected conditions of the Americans in Mexico, our holdings are practically of no value, and there seems to be no chance of a better condition until the United States takes some action for the protection of her citizens, their lives, and property.

I was in Mexico City all during the month of September, 1911, and saw posters which were posted in conspicuous places in the cities of Puebla and Torreon—notices wherein they stated that American meat, meaning American human flesh, would be on sale September 15, 1911, at 5 centavos per kilo, equivalent to 1 cent a pound.

WITNESS (interpolating). Now, I bought two of those posters; I bought them from Mr. Homer Porter, of the Hotel Porter, and I paid 5 centavos each for them, and I sent them to President Taft. You will find them there on record. [Continuing reading:]

I would like to ask you, Mr. President, how long is the United States Government going to let her people be subject to such degrading humiliation, and how soon will the United States take adequate steps to protect her citizens in foreign countries, their lives, and property? Our cattle are driven away or butchered and our plantations devastated.

Mr. President, are we going to get proper relief, and when? This may seem to be a small matter to you, but it represents a lifetime of saving, toil, and privation to me, and is a matter to me of the gravest importance.

The CHAIRMAN. Were these posters that you had—these placards—did they purport to be signed by anyone?

Mr. MILLER. I do not know.

The CHAIRMAN. You do not know whether they were signed by "La Gran Liga"?

Mr. MILLER. No, sir; I do not. I just remember reading them, and I could read Spanish enough to know what they were. They were probably almost as long as that and probably that wide [indicating].

The CHAIRMAN. Did you hear of any anti-American organization at that time known as "La Gran Liga"?

Mr. MILLER. No, sir.

The CHAIRMAN. Well, what experience did you have later—what occurred with reference to the property?

Mr. MILLER. Not much of anything, only they commenced taking our cattle, and some time in 1912 we had a letter from our foreman

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that told us they were driving away 506 of our cattle. I think I have that letter here from Secretary of State P. C. Knox that is an acknowledgment of it, and I have, further, this letter—a letter I got an acknowledgment from Secretary of State Knox.

The CHAIRMAN. It is an acknowledgment signed by Mr. Hilles, secretary to President Taft.

Mr. MILLER. Yes, sir.

The CHAIRMAN. After the reference of your letter to the State Department of the United States Government, did you hear anything further about it?

Mr. MILLER. Oh, yes; I had much correspondence; continued on up to August, 1912.

The CHAIRMAN. Did you get any material results?

Mr. MILLER. No, sir; they wanted to send Mexican soldiers there to guard our ranch, and I would not have them.

The CHAIRMAN. Why?

Mr. MILLER. For the simple reason that as soon as those soldiers are withdrawn it becomes just one continuous round of petty transactions, such as E. G. Church, of Tetahuecapa, Vera Cruz, experienced.

The CHAIRMAN. What was his experience?

Mr. MILLER. He asked for protection and soldiers were sent there, and as soon as they were withdrawn everything about his place that could be carried away was stolen, his rubber trees tapped and his cattle carried away and his store burned.

Senator SMITH. I have not the locus of your business there. Where were you at that time?

Mr. MILLER. About two hundred to two hundred and fifty miles south of Vera Cruz on the Tesauan and Popolapa Rivers.

The CHAIRMAN. Have you anyone in charge of that property now?

Mr. MILLER. We left a man in charge there, but he disappeared about 1915, and we have never heard of him.

The CHAIRMAN. Was he an American or a Mexican?

Mr. MILLER. No, sir; he was a Mexican.

The CHAIRMAN. Do you know what became of him?

Mr. MILLER. No, sir; I do not. He wrote us in one letter that he was invited to go to the mountains when they drove some cattle off and he said, "I had to run for my life." After that I do not know what became of him.

The CHAIRMAN. What was the sum of your personal investment there?

Mr. MILLER. Personally?

The CHAIRMAN. Yes; and your assets?

Mr. MILLER. I have a record here personally of putting in a little over $70,000 gold.

The CHAIRMAN. How much have you gotten out of it?

Mr. MILLER. Nothing.

The CHAIRMAN. Did that loss mean anything to you?

Mr. MILLER. It meant all I had.

The CHAIRMAN. You had associates with you in business?

Mr. MILLER. Yes, sir.

The CHAIRMAN. Did they lose what they put in?

Mr. MILLER. All but two.

The CHAIRMAN. Two of them succeeded in getting something?

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Mr. MILLER. Yes, sir; two women; and they invested down there and they invested practically all they had on letters that I had written up here, they took it, so later when I came up here and found that out, I made them a check covering that amount, I have the checks there. There is one. Just take them, I do not care if you read it [producing checks].

The CHAIRMAN. You mean you reimbursed those women?

Mr. MILLER. I reimbursed those women.

The CHAIRMAN. Who had invested on your advice?

Mr. MILLER. Yes, sir. That was all they had. There were some men there that lost all they had, but they did not invest on my advice and I let them take care of themselves. There are the two checks.

The CHAIRMAN. One for $2,537.50 and the other for $3,403. You felt morally obligated?

Mr. MILLER. Yes, sir; I did. I told them that the conditions down there were as safe as they were in the United States. It was at the time I met the sister.

The CHAIRMAN. You have a claim for damages with the State Department of the United States Government?

Mr. MILLER. No, sir.

Senator SMITH. Have you filed any with the Mexican authorities?

Mr. MILLER. Yes, sir.

Senator SMITH. Got recognition at the time?

Mr. MILLER. Well, it is with Taylor & Howett, of Mexico City, attorneys.

Senator SMITH. Any recognition of your claim against Mexico—has it been recognized in any way?

Mr. MILLER. Well, it has been denied. Now, I have no record of this, but this is the way it was told to me by one of my associates, that in driving away some of those cattle the Federal lieutenant gave a receipt for 506 or 526, I forget which, cattle that they took away, and the receipt was given to Taylor & Howett to present to the Secretary of Agriculture of Mexico for reimbursement, and he told him to come back in a few days, and in a few days when he went back he shrugged his shoulders and said, "We have no lieutenant by that name in the army."

The CHAIRMAN. Your claim is being contested or denied?

Mr. MILLER. It is not contested; it is just denied.

The CHAIRMAN. It is denied?

Mr. MILLER. Yes, sir.

The CHAIRMAN. You have not taken it up through this Government?

Mr. MILLER. No; and what is the use? I asked for protection in a dozen letters here, and I never got anything except they wanted to send Mexican soldiers down there, and they said, "If you do not want them, we do not see that we can do anything for you." There is only——

The CHAIRMAN. Just a moment, Mr. Miller. Did you make any request of the State Department of this Government to present for you a claim for damages against Mexico?

Mr. MILLER. No, sir; no, sir.

The CHAIRMAN. Why not; why didn't you?

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Mr. MILLER. Well, for the first reason I did not think it was necessary, because I would not get any satisfaction out of it. We never have gotten any satisfaction out of any letter that we have ever written there. I will state further in regard to this that this was an American corporation incorporated in San Francisco and that any claim there—it might have been put in there later, but I have not heard of it; but any claim would be presented through the secretary of the company and not through me.

The CHAIRMAN. The State Department at that time, I think, had inaugurated a policy of not presenting claims to the Mexican Government for consideration. I think that is a matter of record. I do not know whether they follow that policy or not.

Mr. MILLER. Well, one might just as well say they are busted as to present a claim to the Mexican Government.

The CHAIRMAN. The department at the present time is furnishing blanks upon which any American can make claims for filing with our department, but they are not making statements that they will present the claims to the Mexican Government.

Mr. MILLER. Does that mean anything to us Americans who lost there?

The CHAIRMAN. They are receiving them and filing them away in the archives of our State Department. I received some blank forms yesterday, and if any claimants desire to make out their claims on those blanks they will be furnished by this committee or the clerk. What are the names of your property, so that we may have it for identification?

Mr. MILLER. San Antonio Plantation, Faulkner Plantation, and one of them, one tract known as the Boca de Coapa.

The CHAIRMAN. I believe that is all. Much obliged.

TESTIMONY OF D. B. BOLLINGER.

(The witness was duly sworn by Dan M. Jackson, Esq., clerk of the subcommittee, duly authorized thereto.)

Mr. JACKSON. D. B. Bollinger?

Mr. BOLLINGER. Yes, sir.

The CHAIRMAN. Where do you live?

Mr. BOLLINGER. Here at San Antonio at present.

The CHAIRMAN. Are you a citizen of the United States?

Mr. BOLLINGER. Yes, sir.

The CHAIRMAN. Native born?

Mr. BOLLINGER. Yes, sir.

The CHAIRMAN. Have you resided or been interested in Mexico at any time?

Mr. BOLLINGER. Yes, sir.

The CHAIRMAN. When and where?

Mr. BOLLINGER. I was in the State of Chiapas. I went there in 1905.

The CHAIRMAN. Where was that, you say?

Mr. BOLLINGER. The State of Chiapas, it is down below the Isthmus of Tehuantepec, down about 150 miles below the Isthmus on the Pan-American Railway.

The CHAIRMAN. What State were you born in?

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Mr. BOLLINGER. State of Missouri.

The CHAIRMAN. In what did your property consist in the State of Chiapas?

Mr. BOLLINGER. Principally of land and cattle and horses and hogs.

The CHAIRMAN. Were you farming and ranching?

Mr. BOLLINGER. Yes, sir.

The CHAIRMAN. Were you living there yourself?

Mr. BOLLINGER. Yes, sir; had my family there, my wife and seven children.

The CHAIRMAN. How long did you remain there?

Mr. BOLLINGER. Seven years, about.

The CHAIRMAN. When did you leave there?

Mr. BOLLINGER. May, 1912.

The CHAIRMAN. Why did you leave?

Mr. BOLLINGER. I did not consider it safe to stay there.

The CHAIRMAN. Why was it not safe?

Mr. BOLLINGER. Well, they were taking possession of my property, taking my hogs and my cattle, and if I would protest—the only occasion—on one occasion they turned their horses in my corn field and I protested and they beat me up considerably and I protested then, and the "Jefe," I protested to him, and they would not do anything with them.

The CHAIRMAN. Who was president of Mexico at that time?

Mr. BOLLINGER. That was about the time—oh, I think President Madero had been in a few months, I do not remember just exactly how long.

The CHAIRMAN. You protested to the nearest local authority, did you?

Mr. BOLLINGER. Yes, sir. I lived near the town of Tonala, where we had all the protection that was necessary up to that time, and we could go to the "Jefe" with our troubles. I went to the "Jefe" that time and oh, yes, they were going to do wonders, but they did not do anything. They were just simply small bands there then.

The CHAIRMAN. You say you were beaten up. Were your injuries serious?

Mr. BOLLINGER. Why, it has proved serious in this knee. I was on the horse and they beat me in the back with machetes, they did not mean to kill me, I do not think, but they meant to give me a pretty good scare, which they did. That night I went to the doctors and they examined it, and there was little knucks broken off, it was not dislocated, but it was sore and tender here a right smart, and that was the last of that.

The CHAIRMAN. Were you able to dispose of your property before leaving?

Mr. BOLLINGER. No, sir; there was no sale for anything.

The CHAIRMAN. How many cattle did you have?

Mr. BOLLINGER. I had near 100 head, it was milk stock that I had taken from the State of Texas here, Durham cattle, and I bought some other at the dairy.

The CHAIRMAN. What became of them?

Mr. BOLLINGER. I could not say what became of all of them; there was a few left there—when I came away I left a good old Georgia negro on the place to take care of the stock and a Yankee American in the city to watch the negro, and it was not long till the negro died

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or disappeared in some way, and the Yankee taken possession of the ranch, and I went back down there just at the time of the split of President Carranza and Villa. I thought there was going to be a little peace there and we could do something probably, and I went there to see what I had left, and the best I could learn the Yankee got about five or six thousand dollars and stuffed it in his pocket and skipped out to Guatemala and I did not get anything, not as much as tax money at that time. Then it was a little scarey over there again when they split, and Carranza was drawing back to Orizaba and Cordova with his army, and he had liberated his jails and penitentiaries and the peons from the haciendas there to get his army, and it was quite a mess at that time on the isthmus.

The CHAIRMAN. From your experience I presume that you learned that was the ordinary method of recruiting an army there, to deliver the jails and penitentiaries?

Mr. BOLLINGER. Yes, sir.

The CHAIRMAN. Then did you feel that with such an army as that you were protected?

Mr. BOLLINGER. No, sir; I did not consider them any army for protection or anything but Mr. Carranza.

The CHAIRMAN. Have you any recent news from that locality of Mexico?

Mr. BOLLINGER. There was——

The CHAIRMAN. From any authentic source?

Mr. BOLLINGER. There was one friend of ours remained there out of about 300, and I have received several letters from him; occasionally get letters from him with regard to our property down there.

The CHAIRMAN. You say there was about 300. You mean about 300 American families, or 300 Mexicans?

Mr. BOLLINGER. There was something like 200 families, something over 300 there; there was a good many Americans around in there that were engineers and conductors, and at Tonala, the place where we lived near, was a regular hold-out place for them, it was a division on the railroad, and they had some little interest in ranches around there, and there was a good many men there without families, but there were something like 300 Americans there; there was a colony below me, a place called San Pedro.

The CHAIRMAN. An American colony engaged in farming and ranching?

Mr. BOLLINGER. Yes, sir.

The CHAIRMAN. What has become of them?

Mr. BOLLINGER. They all left, except this one, when I came out, a few days before that.

The CHAIRMAN. And the American railroad men, what became of them?

Mr. BOLLINGER. Most of them went to Guatemala. When I was back there, I think it was 1915, I only met one man out of the great number that was in the colony and around in the city there.

The CHAIRMAN. Did those who left dispose of their property before leaving?

Mr. BOLLINGER. They disposed of some, but there was no sale and I could not sell anything, and I just packed two or three trunks and I did not consider it safe to start with them, but we wanted a little

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clothing and bedding and happened to get through with what we started with.

The CHAIRMAN. Well, all the other Americans, did they leave in the same way?

Mr. BOLLINGER. Yes, sir.

The CHAIRMAN. Did they take their property with them?

Mr. BOLLIGER. They taken almost nothing with them. They had invested their money in homes and were doing well and was well satisfied.

The CHAIRMAN. Most of them were men of moderate means and making homes there in Mexico?

Mr. BOLLINGER. Yes, sir; they felt it a safe investment at the time they went there.

The CHAIRMAN. With the intention of living there?

Mr. BOLLINGER. Yes, sir; some of them built very good homes; good residence houses.

The CHAIRMAN. Was it your intention to live there permanently, keep your family there?

Mr. BOLLINGER. Yes, sir; we had a very good school there, and down below the colony they had a very good school there. They had made considerable progress, planted cotton and put in a cotton gin, and there was a good sale for the cotton, and they were all prospering.

The CHAIRMAN. And the other Americans had gone there for the purpose of making homes?

Mr. BOLLINGER. Yes, sir.

The CHAIRMAN. I mean permanent homes?

Mr. BOLLINGER. Yes, sir.

The CHAIRMAN. And not done for the purpose of exploiting Mexico and making money and getting out of it?

Mr. BOLLINGER. Make permanent homes. I went more for my health; you see these fingers are stiff yet. I lived up in Eastland County, and it was cold and I went down there to the climate; it was even; there were no changes: it was even.

The CHAIRMAN. It was your intention and that of other Americans there to make your permanent homes and raise your families there in Mexico?

Mr. BOLLINGER. Yes, sir. We had intended to raise and educate our children there.

The CHAIRMAN. Who is the one that is left there?

Mr. BOLLINGER. Mr. J. W. Bedwell.

The CHAIRMAN. How did he happen to remain?

Mr. BOLLINGER. Why, all the way I can understand was that he thought more of the dollar than he did of his life. He wrote me that he had been caught four times and if some friends had not intervened they would have killed him. Once he went to Guatemala, one time. When I was there he would not sleep at home at night; he would slip out at night and sleep off somewhere. They set his house afire and robbed him of everything he had; and since, he wrote me, that they had rounded up—that was in 1917 or 1918—they rounded up 650 head of his cattle and killed them and skinned them for their hides; they did not care for the meat; they had plenty of that; they threw the meat away.

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The CHAIRMAN. He still hangs on, as far as you know?

Mr. BOLLINGER. Yes, sir. I have a letter from him. I wrote to him twice during the last two months how they were getting along, but I have not heard from him. It is very likely that they have killed him by this time, because in his last letter, something over two months ago, he said, "Don't come down, conditions are worse than they have ever been; there are more men being killed than there has been, and less said about it."

The CHAIRMAN. That is all. Much obliged to you, Mr. Bollinger.

TESTIMONY OF MR. C. W. ENDERS.

(The witness was duly sworn by Dan M. Jackson, Esq., clerk of the subcommittee, duly authorized thereto.)

The CHAIRMAN. Mr. Enders desires to give a portion of his testimony in executive session, but he will make a statement now.

Where do you live?

Mr. ENDERS. I live in San Antonio at present.

The CHAIRMAN. Are you a citizen of the United States?

Mr. ENDERS. Yes, sir.

The CHAIRMAN. Native born?

Mr. ENDERS. Yes, sir.

The CHAIRMAN. Where—what State?

Mr. ENDERS. Indiana.

The CHAIRMAN. Have you lived in Mexico at any time?

Mr. ENDERS. Yes, sir.

The CHAIRMAN. When did you first go there?

Mr. ENDERS. I went to Mexico in August, 1891.

The CHAIRMAN. How long did you remain there?

Mr. ENDERS. I left there the last time December 19, 1916. I lived in Mexico during all that time.

The CHAIRMAN. Were you interested in Mexico during those years?

Mr. ENDERS. Yes, sir.

The CHAIRMAN. That is, had property interests there?

Mr. ENDERS. Yes, sir.

The CHAIRMAN. What was the character of your investment?

Mr. ENDERS. Well, I had investments in bank stock and mining stock and ranches.

The CHAIRMAN. Where were your ranches?

Mr. ENDERS. There was a company of us known——

The CHAIRMAN. If there is any question that you think you might not desire to answer publicly to avoid identification or have any other reason for not answering, why, you can just so state.

Mr. ENDERS. Yes, sir.

The CHAIRMAN. Where were your ranch properties?

Mr. ENDERS. The ranch—the organization—we organized a company, the Torreon Construction Co., the ranch was owned, Senator, by the Torreon Construction Co., of which I was a member. There were three of us organized the Torreon Construction Co., I. A. Porter, Sam Graham, and myself, organized under the laws of Arizona. We have one ranch, the ranch house was about 12 miles from Santa Rosalia, Chihuahua, and consists of 80,253 acres.

The CHAIRMAN. A cattle ranch?

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Mr. ENDERS. Yes, sir; and farming as well.

The CHAIRMAN. Stocked with cattle?

Mr. ENDERS. It was at one time. We have another ranch out about 50 miles from San Pedro, in the State of Coahuila, which consists of 253,000 acres.

The CHAIRMAN. Stocked with cattle?

Mr. ENDERS. We had some stock on there; very little.

The CHAIRMAN. Were you in Torreon City at any time during the years that you were there?

Mr. ENDERS. I lived in Torreon from 1907 until 1916.

The CHAIRMAN. Did you see any fighting?

Mr. ENDERS. I have seen all the battles that they had there except one.

The CHAIRMAN. When was the first battle?

Mr. ENDERS. The first fight was during the Madero revolution; it started May 13, 1911, about in the outskirts of the town, about 9.30, and at 5 o'clock that evening—we lived five blocks from the market-house—and at 5 o'clock that evening the Maderistas were in our backyard and they held that part of the town until the night of the 14th, about 2 o'clock, if I remember right, and the general in charge of the Diaz troops evacuated the city on account of finding a lot of ammunition with wooden bullets; he did not have but about six or seven hundred men.

The CHAIRMAN. He found his cartridges loaded with wooden bullets?

Mr. ENDERS. Yes, sir. And the Maderistas commenced entering the town about daylight on the morning of the 15th.

The CHAIRMAN. Were they quiet and peaceable, and did they maintain order when they entered the town?

Mr. ENDERS. No, sir; there was no order whatever.

The CHAIRMAN. Any Chinamen in Torreon at that time?

Mr. ENDERS. Yes, sir; there was somewhere between 600 and 700, of which 303 were massacred by the Maderista troops that day.

The CHAIRMAN. Did you see any of the occurrences during that day—killing of the Chinamen?

Mr. ENDERS. I saw two Chinamen murdered.

The CHAIRMAN. Were the Chinamen fighting or making any defenses?

Mr. ENDERS. No, sir.

The CHAIRMAN. Well, just how were they massacred?

Mr. ENDERS. Well, the two that I saw they brought around from—we lived right back of the Chinese laundry, and they brought them around right in front of our house, and had them roped—of course, roped by the neck—and brought them around right in front of our house and shot them right in front of our house, shot them with Winchesters, and I do not suppose the Chinamen were more than that far from the front of the gun [indicating] when they shot these two. Shortly afterwards they drug another Chinaman around and left the body with these two that they had just killed. Then the Mexican children—small children, from 8 to 10 years old—came around and kicked and hit the dead Chinamen in the face and spit on them. A little later they brought three more Chinamen around who were roped by the neck to the horn of the saddle, and they were roped 2

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feet apart, I should judge; and they met a party there coming down the street who apparently notified them, so I understand, that they was not to kill any more Chinamen, and they took those Chinamen back around the corner, of course, out of my sight; I could not see them any longer, but shortly afterwards there was three more Chinamen killed over close to another American friend of mine, and I heard the three shots, and I suppose it was those same Chinamen.

The CHAIRMAN. It has been reported that they were killed on the streets and shot down.

Mr. ENDERS. That afternoon I left the house just as the clock struck 3. That was the first time I had went up town. I went up town on Avenida Juarez, and I came to the market, but it was so choked with peons—that is, the poor people.

The CHAIRMAN. Mexicans?

Mr. ENDERS. Yes, sir. It was almost impossible to get through, so I turned and went across the Avenida Hidalgo and walked up Avenida Hidalgo, aiming to what they called the old Chinese Bank Building, which was occupied at that time by the Chinese Bank; not on the corner, but just around the corner of the street. They massacred, so I was told, some 17 or 19 Chinamen in the second story of this building; but I do not remember myself; but I met a friend of mine by the name of Taylor, an American, who was a conductor on the road, on the branch running from Torreon to San Pedro, and he had a little camera with him, and I stopped and talked with him a little while there; and while I was talking with him they were bringing the dead Chinamen to the top of the stairway—the stairway leads to Avenida Hidalgo—and giving them a little start and rolled them down the step, the dead bodies, to the middle of the street; and I asked him if he had got any picture of them dead Chinamen, and he said no, he had not yet; he wanted to wait till they got more in the pile, and I left before he got a picture; and he told me afterwards that they took the camera away from him; but I understand there was pictures got of the dead Chinamen just the same, by whom I do not know. Well, I asked Taylor at this time—this must have been about 3.20—if they had got into the Chinese Bank safes. This was about 3.20. He said, "Not yet; they are still working on them." He said, "If you listen you can hear them." They got into the safes about 5 o'clock that afternoon. Emilio Madero was the general in charge of this supposed army—Maderista army.

The CHAIRMAN. What relation was he of the President?

Mr. ENDERS. A brother.

The CHAIRMAN. Do you know whether China made a claim against Madero for the massacre of those Chinamen?

Mr. ENDERS. I understand that during the Madero régime there was a settlement with China; that there was an agreement that they were to pay China 3,300,000 pesos, but to my knowledge there was never a cent of it paid.

The CHAIRMAN. Did you ever hear of any agreement to pay for any Americans down there?

Mr. ENDERS. No, sir. We had one small claim presented to the Madero Government. It did not amount to much. The morning of the 5th of May, when they entered, my partner, Mr. Sam Graham, had saddle horses apiece, very good ones, and they got them, about

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the first thing, and then they occupied the back lot, the corral of our place, about 60 of them, and made a corral out of that, and we had some hay and corn that we kept out in the corral in a little horse stable, and we had hid a friends of ours' shotgun under some hay; they were there, and, thinking we would try and save that, we thought we would try and save his gun by hiding it in the hay, and when they made the corral there they fed up the hay and got the gun. We made a claim for about 325 pesos for the horse and gun, put our horses in for reasonable prices, and it went to Mexico City, and a man by the name of Parkenson, who was an attorney and the manager of the Continental Rubber Co., of Torreon, took care of our claim. It was returned several different times for more stamps to be put on it, and finally we refused to put any more stamps on it, and the last communication we had from them they wanted to know why we thought they ought to pay this claim, and we told them because they had stole the horses, and that was the end of it; we never heard any more from it.

The CHAIRMAN. Is that about as far as you care to go?

Mr. ENDERS. That is about as far as I care to go in my open session.

The CHAIRMAN. Well, we will ask you to appear in executive session.

TESTIMONY OF PAUL C. RENARD.

(Witness was duly sworn by the Chairman.)

The CHAIRMAN. What is your name?

Mr. RENARD. Paul C. Renard.

The CHAIRMAN. Where do you live?

Mr. RENARD. I live in San Antonio.

The CHAIRMAN. Are you a citizen of the United States?

Mr. RENARD. Yes, sir.

The CHAIRMAN. Native born?

Mr. RENARD. No, sir.

The CHAIRMAN. Naturalized?

Mr. RENARD. Naturalized.

The CHAIRMAN. Of what country are you a native?

Mr. RENARD. Germany.

The CHAIRMAN. Have you had any experience in Mexico at any time?

Mr. RENARD. Yes, sir. I lived there from February, 1907, to September, 1913.

The CHAIRMAN. That was after you became a citizen of the United States?

Mr. RENARD. Oh, yes; considerably after.

The CHAIRMAN. Where did you live in Mexico?

Mr. RENARD. In Torreon, Coahuila.

The CHAIRMAN. You lived there during the years that you have mentioned?

Mr. RENARD. Yes, sir; all the time. I was out with the exception that we were called out once before in 1912.

The CHAIRMAN. What is your business?

Mr. RENARD. I am an architect and engineer.

The CHAIRMAN. Did you have any investment—property?

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Mr. RENARD. No, sir; not more so than I had in my own office.

The CHAIRMAN. In your office?

Mr. RENARD. Yes, sir.

The CHAIRMAN. You say that you were called out in 1912?

Mr. RENARD. Yes, sir.

The CHAIRMAN. You mean you were warned out by the Americans?

Mr. RENARD. Yes, sir; Carruthers, the American consular agent, sent us word to get out.

The CHAIRMAN. George Carruthers?

Mr. RENARD. Yes, sir; George Carruthers.

The CHAIRMAN. What was the nature of his warning?

Mr. RENARD. Well, he had sent all American citizens a pamphlet coming from the United States office—I believe this is it here—that told us to make out a list of our possessions and leave the country for a while. This is the notification that we got from him. [Producing paper.]

The CHAIRMAN. When did you leave there last?

Mr. RENARD. On the 25th day of September, 1913.

The CHAIRMAN. What was the occasion of your leaving at that time?

Mr. RENARD. At the same time Mr. Carruthers furnished us a train and in fact made us leave. We were notified to get ready on very short notice and not to take any more than we could possibly have to take, because there would not be room on the train for anything superfluous, just to take enough to wear and eat.

The CHAIRMAN. Did you have any instruments or tools of your profession as engineer and architect?

Mr. RENARD. Well, I had my office in this same Chinese bank building—we called it Shanghai on the Avenida Hidalgo and Calle Zepeda, in the second story, and the first floor where the Chinese bank was on the corner, and on the side entrance on Avenida Hidalgo went up to my office upstairs. There were several other offices which were occupied by different people. I forget now who they were.

The CHAIRMAN. What became of your office furniture and instruments, etc.?

Mr. RENARD. When the Maderistas entered Torreon on the 15th of May, I believe on the morning, at daylight, my wife and I—of course I did not live where the office was; I lived on Avenida Morelos, right across from the "Jefetura," and they were fighting on our roof from Sunday morning to Monday morning. It was raining bullets; and my wife cooked coffee for the Maderistas and afterwards for the Federalistas. Well, we did not go out of the house until Tuesday afternoon; my wife said, "You do not know what will happen;" so I stayed home, and on Tuesday I went out a little, and my first walk was up to my office. There was a cordon of Maderista soldiers around it; I could not get in, so I went up to the hotel, some hotel, what is the name—well, some hotel where Emelio Madero had his suite—and I asked him for a permit to go to my office, and after a lengthy talk and examination he believed that I had an office up there, and he gave me a permit, and I went up there and found the doors were locked, but I found the panels were chopped out of my office door

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and everything in there was stolen; they had taken out everything they could move, and what they could not take they had spoiled and ruined, tore up.

The CHAIRMAN. What became of the Chinamen, if you know?

Mr. RENARD. Well, when I came into the office, these wide stairs, the stairway was just smeared with blood and brains and matter and everything, and upstairs you could see where they had dragged the bodies. I personally have not seen them kill anyone.

The CHAIRMAN. There was quite a large Chinese colony in Torreon?

Mr. RENARD. Yes, sir; I judge there was about 700.

The CHAIRMAN. What were they engaged in generally?

Mr. RENARD. Well, they were growing garden fruits, and they were good workers there, too. They had the vegetable gardens on the outskirts of Torreon, and that was their main business, besides having little restaurants, but very few, and there is also a laundry, the main business that they engaged in, the business there, was the laundry. They had a large three-story brick building, which was modernly equipped for the laundry business, and they done a big business there.

The CHAIRMAN. Did you make any claim of any kind?

Mr. RENARD. Yes, sir.

The CHAIRMAN. To Madero or anyone else?

Mr. RENARD. Mr. Emilio Madero issued a proclamation that anyone who had been harmed or lost anything during the entrance of the Maderista soldiers should make a reclamation, which I have made at that time, and it is decreed to be signed by two Mexicans, Mexican citizens, who have investigated themselves, and here is a copy of it. [Producing paper.] It does not amount to very much. It is the form that Emilio Madero wanted.

The CHAIRMAN. Did you ever receive any remuneration?

Mr. RENARD. No, sir.

The CHAIRMAN. Or any payment on it at all?

Mr. RENARD. No, sir.

The CHAIRMAN. Did you file any claim through Mr. Carruthers or otherwise?

Mr. RENARD. Yes, sir; through Mr. Carruthers, or the State Department at Washington.

The CHAIRMAN. What was the amount of the claim?

Mr. RENARD. 996 pesos.

The CHAIRMAN. The same as this?

Mr. RENARD. Yes, sir. Of course, it was a long time ago.

The CHAIRMAN. Do you know whether any demand or request was made for the payment of this by this Government?

Mr. RENARD. No; I do not know.

The CHAIRMAN. If there was any request or demand for payment, you have not heard from it?

Mr. RENARD. No; I have not. I heard from them, yes, sir, inasmuch as the Mexican Government informed me once that I had to send stamps there, and I sent them, and I had to send stamps again, and Mr. Henry Lane Wilson who was there at the time——

The CHAIRMAN. Did they give you the stamps?

Mr. RENARD. No, sir; no sir, I had to buy them. They returned me one stamp, saying inasmuch as I had already stamped that document, it was not necessary to stamp it again.

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The CHAIRMAN. What was the reason for requesting you to restamp it?

Mr. RENARD. That is more than I know.

Senator SMITH. There had been a change of the administration?

Mr. RENARD. Well, yes—well, no; this was during the Madero administration. Mr. Madero was still in.

The CHAIRMAN. You heard that Madero took out of the treasury $750,000 and repaid himself for expenses during the revolution?

Mr. RENARD. No; I did not hear that.

The CHAIRMAN. You did not hear that?

Mr. RENARD. No; I did not hear that, but I think he took more than that though.

The CHAIRMAN. I think that is all. Very much obliged to you, Mr. Renard.

TESTIMONY OF MISS ANITA WHATLEY.

(The witness was duly sworn by Dan M. Jackson, Esq., clerk of the subcommittee, duly authorized thereto.)

The CHAIRMAN. Are you a citizen of the United States, Miss Whatley?

Miss WHATLEY. I am.

The CHAIRMAN. Native born?

Miss WHATLEY. Yes, sir.

The CHAIRMAN. What State?

Miss WHATLEY. Texarkana, Tex.—nearly in Arkansas.

The CHAIRMAN. What is your business?

Miss WHATLEY. I am modern language supervisor for the State department of education.

The CHAIRMAN. Of this State?

Miss WHATLEY. Of this State.

The CHAIRMAN. Engaged in educational work?

Miss WHATLEY. Yes, sir.

The CHAIRMAN. Have you ever been in Mexico?

Miss WHATLEY. Eight years, about.

The CHAIRMAN. During what years?

Miss WHATLEY. From about 1899 to—no, from 1900 until 1907, consecutively, and then the summers from 1907 till 1910, and the year from 1910 to 1911.

The CHAIRMAN. Where were you in Mexico in 1911?

Miss WHATLEY. Parral, in the State of Chihuahua, the southern part of the State.

The CHAIRMAN. Parral, it is a mining city?

Miss WHATLEY. Yes, sir.

The CHAIRMAN. Did you observe conditions in Parral at that time?

Miss WHATLEY. Yes, sir.

The CHAIRMAN. Have any particular reason to pay any attention to them?

Miss WHATLEY. Several.

The CHAIRMAN. Just state for the benefit of the committee your experiences there, Miss Whatley.

Miss WHATLEY. Well, I suppose that I shall have to start with explanations somewhat about the family. My father was in Mexico for

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his health. He was a physician, but he was forced to retire from practice in about 1907, I think it was. We were engaged also in the dairy business.

The CHAIRMAN. Where?

Miss WHATLEY. There in Parral.

The CHAIRMAN. At Parral?

Miss WHATLEY. Yes; which was, of course, conducted in town, and we had a ranch 40 miles from town. My father had spent from 1910 till 1911 on the ranch on account of his health, and he was better off there than he was in town. That left my mother practically with the responsibility of running the dairy business. We had a good deal of fine stock cattle, I suppose, oh, in the neighborhood of 200 registered Jersey cows, and those that were not registered were subject to registration. About 60 of them were then in town. On the night of July 4, 1911, my mother was awakened by someone having hold of her throat. Of course, you understand, nothing was going on then, and the house was open. She thought it was a dispute between two milkmen; one had been trying to drive the other off. So she thought that was what it was, but as soon as she awoke she found the room full of armed men. They asked for our arms. We had a little .22 rifle. So, thinking it was in our room upstairs where my sister and I slept, she came up there and knocked on the door and told me to get up; and I asked her why, and she told me there was robbers and they asked her for the rifle, and I took it downstairs and gave it to them. Then they asked me for keys, and I gave them the keys, and they took the money that was in the drawer, and they said, "This is not enough." They said, "We have information that you have about $5,000 in the house."

Of course, it was the beginning of the month and the time when all the bills were to be paid, and they presumed there would be a good deal of money in the house. I said, "We haven't." "Oh, yes; but we know you have it." One man acted as spokesman, and said, "We know you have it; we have the information you have money in the house;" and from the way they acted, they knew how things were run around there absolutely. And the leader said, "Take these three girls"—my two sisters and myself—"take them out and shoot them." Nobody said anything for a moment or two, nobody made any moves, and in a moment he took me by the arm and said, "You come with me." Well, of course, my mother grabbed me and said, "No," I could not go. I made her turn me loose. So they took me out in the patio, a man on each side, and the leader walked behind, and they stood me up against a wall, and they stepped back and he raised his rifle and said, "Will you give me the money?" I said, "No, we have not got it." He said, "We know you have; will you give it to us?" And he said then, "You Gringos,"—what they call Americans—"love money better than you do your life." I said, "No, if I had it I would give it to you." He said to one of the men, "Give me your knife," and he came close then and took the knife and held it to my throat, didn't hurt me, though, and then he turned me loose: there was a little sidewalk there, and I stepped down on that, and he said, "We are going to kill you and cut off your fingers and toes," and he took off my bedroom slippers and did cut my foot, not very much—it hurt a little bit anyway—and one of the men said, "Let's go—these people

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haven't any money, let's go," and they left. The next morning this man that we were afterwards sure had something to do with the robbery, came to my mother and said, "I know two of the men who were here last night; I saw them on the street this morning, and if you will protect me, I will go down to the comandancia and denounce them." Well, of course, we sent for my father, and he came in then about that time, and this man gave him the information, and they went down and they had them arrested; and shortly after that they took my mother and we down to the jail, and they lined everybody up—all the prisoners up in the patio, and they took us out one at a time and said, "Now, see, you look at these people and see if there is any one here who looks like any of the band that was at your house." Well, my mother did not identify any of them, but I picked out a man whom I was sure was the leader. And the judge said, "Well, he is convicted, just as good as convicted." About a month after that, I believe, they changed judges and they turned the man loose and that was the last I heard of it.

The CHAIRMAN. Who was in control of Parral at this time; what faction?

Miss WHATLEY. The Maderistas.

The CHAIRMAN. The Maderistas? There was no male member of the family in the house?

Miss WHATLEY. My older brother, who had a stroke of infantile paralysis when he was a child, and the man that was guarding him snapped his pistol at him and would have shot him if the thing had gone off.

The CHAIRMAN. He was not able to protect you?

Miss WHATLEY. He was not able to protect us.

The CHAIRMAN. Did your family remain in Parral?

Miss WHATLEY. My mother remained there until February; I left in September—I and my two sisters came back to Austin to school, but my mother stayed until February, 1912, and then she came out, and my father and brothers stayed until Gen. Pershing went in.

The CHAIRMAN. What became of the property, the dairy?

Miss WHATLEY. Well, it has just dwindled away little by little, stolen a little bit here and a little bit there, until it is almost all gone; the ranch is still there; all the fences are gone, all the equipment of every kind is gone.

The CHAIRMAN. Has the family made any claim for damages?

Miss WHATLEY. We just finished making out our application the other day.

The CHAIRMAN. Filing it with our State Department—United States Government?

Miss WHATLEY. Yes, sir.

The CHAIRMAN. What was the amount?

Miss WHATLEY. About $60,000.

The CHAIRMAN. And your father and brother came out after Gen. Pershing went in?

Miss WHATLEY. Yes, sir.

The CHAIRMAN. Why?

Miss WHATLEY. Well, they were advised by the American consul to come out. It is impossible for my father to live in this climate.

The CHAIRMAN. That is all. Thank you very much.

Thereupon, at 12.05 o'clock p. m., the committee recessed until 2 o'clock of the same day.)

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AFTER RECESS.

TESTIMONY OF C. W. GURLEY.

(The witness was sworn by Dan M. Jackson, Esq., clerk of the subcommittee, duly authorized thereto.)

The CHAIRMAN. You are a citizen of the United States, are you?

Mr. GURLEY. Yes, sir.

The CHAIRMAN. Native?

Mr. GURLEY. Yes, sir.

Mr. JACKSON. Talk louder.

The CHAIRMAN. Native born?

Mr. GURLEY. Yes, sir.

The CHAIRMAN. What State?

Mr. GURLEY. State of Texas.

The CHAIRMAN. Where do you live?

Mr. GURLEY. Del Rio.

The CHAIRMAN. How long have you been living there?

Mr. GURLEY. Well, about seven or eight years.

The CHAIRMAN. Where did you live before going to Del Rio?

Mr. GURLEY. Crockett County.

The CHAIRMAN. What have been the conditions in and around Del Rio from 1910 and 1911 up to the present time, so far as you know?

Mr. GURLEY. It has been—or has been—the town has been pretty tough.

The CHAIRMAN. Because of what?

Mr. GURLEY. Of the Carranza Government—or revolution.

The CHAIRMAN. How did the disturbances in Mexico affect you at Del Rio?

Mr. GURLEY. Well, they taken a lot of stuff away from me over there—cattle, horses.

The CHAIRMAN. Was that on the Mexican side?

Mr. GURLEY. That was on the Mexican side; yes, sir.

The CHAIRMAN. You had cattle, horses—stock on the Mexican side?

Mr. GURLEY. Yes, sir.

The CHAIRMAN. Whereabouts, how far from the border?

Mr. GURLEY. Well, some of them were about 75 or 80 miles, and some of them closer, not over 6 or 7 miles.

The CHAIRMAN. Did you own the property on which they were grazing or have it leased?

Mr. GURLEY. Had it leased.

The CHAIRMAN. What have been your losses during that time, approximately?

Mr. GURLEY. Well, I don't know; hardly, I expect, forty-five or fifty thousand dollars' worth of stuff, first and last.

The CHAIRMAN. When did you put in stock?

Mr. GURLEY. Well, I went over there and bought a lot of stuff—that was taken away from me in 1915.

The CHAIRMAN. What was it?

Mr. GURLEY. Cattle.

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The CHAIRMAN. About how much?

Mr. GURLEY. Well, I had 600 head taken away from me in one bunch of cattle; and then I had 180 steers, 4 and 5 years old and up, taken away from me in another bunch.

The CHAIRMAN. Who did that?

Mr. GURLEY. Well, I don't know whether the Carranza government or the Villistas; I suppose Carranza.

The CHAIRMAN. Well, you say you "bought" them; you mean you bought back your own stuff?

Mr. GURLEY. Well, no; I bought them, and they were taken away from me after I bought them.

The CHAIRMAN. I see.

Mr. GURLEY. Yes, sir.

The CHAIRMAN. You had bought them in Mexico?

Mr. GURLEY. Yes, sir.

The CHAIRMAN. And you had grazing permits or rights there?

Mr. GURLEY. Yes, sir.

The CHAIRMAN. What became of them—did you ever recover them?

Mr. GURLEY. No, sir; never did. I don't know—they were, I reckon, butchered and ate, shipped, and everything else.

The CHAIRMAN. Couldn't you find any trace of them? What became of them?

Mr. GURLEY. Well, no, sir; I couldn't.

The CHAIRMAN. Were there no authorities or Federal soldiers, governmental representatives, anywhere in the neighborhood?

Mr. GURLEY. Yes; but you never could get anything out of them.

The CHAIRMAN. Did you make any effort——

Mr. GURLEY. Yes, sir.

The CHAIRMAN. To get assistance from them?

Mr. GURLEY. Yes, sir.

The CHAIRMAN. To whom did you go?

Mr. GURLEY. Well, I went to several of their officers, and they never did know anything.

The CHAIRMAN. Did they try to get any information?

Mr. GURLEY. They said they did.

The CHAIRMAN. To get your property?

Mr. GURLEY. They said they did; that is all I know.

The CHAIRMAN. But if they did use any efforts they were without results?

Mr. GURLEY. Yes, sir.

The CHAIRMAN. So far as you were concerned?

Mr. GURLEY. Yes, sir.

Senator SMITH. Do you know of their making any efforts?

Mr. GURLEY. No; I do not.

The CHAIRMAN. Are those the only losses you have incurred, those that you spoke of—the steers and cattle?

Mr. GURLEY. Well, yes; that was about all; yes, sir.

The CHAIRMAN. Have there been any disturbances on this side of the border during the time that you have been there—in your vicinity?

Mr. GURLEY. Yes, sir.

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The CHAIRMAN. From what sources?

Mr. GURLEY. Well, the Villistas and Carrancistas had several fights over there, pretty close, during this time—1914, I believe—1915.

The CHAIRMAN. Did that cause any disturbances on this side?

Mr. GURLEY. Some; yes, sir—right smart.

The CHAIRMAN. Have there been any raids across the border?

Mr. GURLEY. Well, not in that vicinity; no, sir.

The CHAIRMAN. The raids have occurred below you principally?

Mr. GURLEY. Yes, sir; and above.

The CHAIRMAN. And above?

Mr. GURLEY. Yes, sir.

The CHAIRMAN. In the immediate vicinity of Del Rio, then, on this side?

Mr. GURLEY. No, sir; none to amount to anything; there has been a few come over and steal horses and take them across, but none to amount to anything.

The CHAIRMAN. All right; I am very much obliged.

TESTIMONY OF A. D. ALVIN.

(The witness was sworn by Dan M. Jackson, Esq., clerk of the subcommittee, duly authorized thereto.)

Mr. JACKSON. What are your initials, Mr. Alvin?

Mr. ALVIN. A. D.—A. D. Alvin.

The CHAIRMAN. Where do you live?

Mr. ALVIN. At present in San Antonio.

The CHAIRMAN. Are you a citizen of this country?

Mr. ALVIN. Yes, sir.

The CHAIRMAN. Native born?

Mr. ALVIN. Yes, sir.

The CHAIRMAN. From what State?

Mr. ALVIN. Iowa.

The CHAIRMAN. Have you ever lived at any time in Mexico?

Mr. ALVIN. Yes, sir.

The CHAIRMAN. During the last 10 years?

Mr. ALVIN. Yes, sir.

The CHAIRMAN. At what time and where?

Mr. ALVIN. I went to Mexico in the early spring of 1908, about April.

The CHAIRMAN. How long did you remain?

Mr. ALVIN. I remained there until June, 1912.

The CHAIRMAN. In what portion of the Republic were you?

Mr. ALVIN. I went to Guadalajara, and from Guadalajara to Manzanillo, and from Manzanillo to a point 112 miles south of there, on the coast, the nearest town to the proposition I went to was Coalcoman, in the State of Michoacan, I was employed there by a timber company, stayed there a few months, and then I went to Manzanillo. I worked for the Southern Pacific Railroad during the remainder of 1908 and until the spring of 1909; I met up with an Austrian that was working there, and we concluded that we would go down to Acapulco.

The CHAIRMAN. In what year was that?

Mr. ALVIN. That was in 1909 I went there.

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The CHAIRMAN. Where were you in 1911?

Mr. ALVIN. At Acapulco.

The CHAIRMAN. You remained there?

Mr. ALVIN. Yes, sir.

The CHAIRMAN. What were the conditions as to violence or peace in Acapulco, in the portions of Mexico you were familiar with in 1911 to the present time?

Mr. ALVIN. Well, from the time I left there, it commenced in 1911, the Madero revolution, and as long as that lasted, we had everything that we wanted, everything was peaceful; that is, and until after Madero was elected. Then Zapata rose in the State of Morelos, and his gang worked all through Guerrero, came down through there and cleaned out everything they could get hold of, irrespective of nationality; and I was posing as a Canadian at the time, always went to the English consul, because I found out that the American consul wouldn't give any protection—so as long as I was considered a Canadian or English subject I was not molested, and when the Zapatas came there they came with the intention of killing me, but as soon as they were told by the people working for us that we were Austrian and English subjects they said, well, they wouldn't kill us, but would take what we had, which they did, and let us go.

The CHAIRMAN. You were working in Acapulco at this time?

Mr. ALVIN. Not—I was 18 kilometers southeast, on the ranch.

The CHAIRMAN. And whom were you working for?

Mr. ALVIN. Myself.

The CHAIRMAN. Yourself?

Mr. ALVIN. I had 1,000 acres leased.

The CHAIRMAN. Did you have stock?

Mr. ALVIN. Yes, sir.

The CHAIRMAN. Agricultural implements?

Mr. ALVIN. Yes, sir.

The CHAIRMAN. What became of them?

Mr. ALVIN. Why, those people took them—they took everything they could, and what they couldn't take they burned up right before my eyes—burned my barn and houses and everything—I kept all my machinery right in my barn, you see, when I wasn't using it—they set fire to the barn, burned that and burned the house with all the household goods.

The CHAIRMAN. They claimed to be Zapatistas?

Mr. ALVIN. Yes, sir.

The CHAIRMAN. And in revolution against the Madero government?

Mr. ALVIN. Yes, sir.

The CHAIRMAN. And you left there at that time, did you?

Mr. ALVIN. Yes, sir; I left there at that time. They left me one horse that they couldn't catch, and I packed what few little things I could save from the fire and struck out across the country.

The CHAIRMAN. Were there any federal soldiers or officials anywhere in the country—any Maderistas?

Mr. ALVIN. About 18 miles, at Acapulco, there was a garrison of federal soldiers, but they could scarcely give protection to the people of Acapulco direct.

The CHAIRMAN. Yes; could not protect the surrounding country?

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Mr. ALVIN. No, sir.

The CHAIRMAN. The rural districts?

Mr. ALVIN. No, sir.

The CHAIRMAN. Or, at least, did not do it?

Mr. ALVIN. Did not do it, and, in fact, did not try; never made an effort to do it.

The CHAIRMAN. Well, did you leave Mexico at that time, after the——

Mr. ALVIN. I did.

The CHAIRMAN. Have you ever received any remuneration of any kind?

Mr. ALVIN. No, sir; not a cent.

The CHAIRMAN. For your loss? Have you made any claim against the Mexican Government?

Mr. ALVIN. No, sir; I have not.

The CHAIRMAN. Did you at that time file any list of the property or any claim with the American consul or any other authority?

Mr. ALVIN. No, sir.

The CHAIRMAN. And you have made no claim?

Mr. ALVIN. No, sir. I didn't see as there was any use, as I have lost my lease—I had my lease with me, and all my books, in which I kept account of everything. I had with me and I had it in my suit case and expressed it from Mobile to Birmingham a year ago last May, this last May, and have never received it.

The CHAIRMAN. So you have lost your records?

Mr. ALVIN. I have lost my records; yes, sir.

The CHAIRMAN. You would be able, I presume, to testify as to your lease?

Mr. ALVIN. Oh, yes; I could swear to my lease.

The CHAIRMAN. Approximately what was it?

Mr. ALVIN. Approximately—well, approximately it was $50,000 Mexican or $25,000 American money.

The CHAIRMAN. That is, of yourself and your partner?

Mr. ALVIN. Yes, sir; the two of us.

The CHAIRMAN. That is all; we are very much obliged—just one moment: Of course, Acapulco and this district in which you were located is on the west coast of Mexico?

Mr. ALVIN. It is on the west coast of Mexico; yes, sir.

The CHAIRMAN. Just relate what else you know about occurrences in Mexico?

Mr. ALVIN. This was in 1908 after the—or during the—Madero revolution: A man by the name of Godman, representing a cocoanut plantation—representing a company of Seattle, he was manager: and he and his three sons were considerable stock owners, and when the Madero people began to come in there—that is, the soldiers from the north—prior to the battle of Acapulco, they came to this place, and they heard of them coming, so Mrs. Godman and a younger son and Mr. Godman went to Acapulco, leaving the two older boys at home; and one of them was a doctor, about 35 or 36 years old, a dentist, and the other was a man about 26 or 27, and they had an interpreter. At night some one rapped on the door, and the older one of the Godman boys—I think his name was Everett, if I ain't mistaken—and he went to the door to open it and let them come in and

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take whatever they wanted, and just as he opened the door they fired on him and killed him instantly, right in his own door, without any protest at all. But the other brother and interpreter got out the back way and had to stay in the woods all night—the rest of the night; and they got assistance to bury the brother the next day, and went to Acapulco. Now, I personally know of those Godmans and was on the ranch, and I know that they had no antipathy toward the Mexicans on either side, and Mr. Godman made quite a good many claims against the Madero administration, trying to get satisfaction, but to my knowledge he never did.

The CHAIRMAN. Thank you very much.

TESTIMONY OF JAMES E. ELLIS.

(The witness was sworn by Dan M. Jackson, Esq., clerk of the subcommittee, duly authorized thereto.)

The CHAIRMAN. Where do you live?

Mr. ELLIS. San Antonio.

The CHAIRMAN. You are a citizen of this country?

Mr. ELLIS. Yes, sir.

The CHAIRMAN. Native born?

Mr. ELLIS. Yes, sir.

The CHAIRMAN. Where?

Mr. ELLIS. San Antonio.

The CHAIRMAN. You were born in San Antonio?

Mr. ELLIS. Yes, sir.

The CHAIRMAN. Have you lived in any part of Mexico within the last 10 years?

Mr. ELLIS. Yes, sir.

The CHAIRMAN. Where, and how long?

Mr. ELLIS. Well, I lived in Mexico about 18 years.

The CHAIRMAN. But for the last 10 years—I say during the last 10 years, during the revolutionary period, since the Diaz administration?

Mr. ELLIS. Why, at Matamoros, Mexico.

The CHAIRMAN. Matamoros?

Mr. ELLIS. And later at Monterrey.

The CHAIRMAN. In what years?

Mr. ELLIS. Well, I was at Monterrey in—at Matamoros during the revolutions of 1913–14.

The CHAIRMAN. And later at Monterrey?

Mr. ELLIS. And later at Monterrey—1915 and 1916 at Monterrey.

The CHAIRMAN. Were you in business of any kind there?

Mr. ELLIS. Yes, sir.

The CHAIRMAN. What?

Mr. ELLIS. Well, I was—I was the owner of a café in Matamoros.

The CHAIRMAN. In Matamoros?

Mr. ELLIS. Yes, sir.

The CHAIRMAN. Did you have any particular reason for leaving Matamoros?

Mr. ELLIS. Yes, sir.

The CHAIRMAN. What was it?

Mr. ELLIS. Well, they put me out of business.

The CHAIRMAN. Who?

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Mr. ELLIS. The officials, Carranza government.

The CHAIRMAN. Well, you mean the officials of the army?

Mr. ELLIS. Army officials; yes, sir.

The CHAIRMAN. Or civilian officials?

Mr. ELLIS. Army officials.

The CHAIRMAN. How did they put you out of business?

Mr. ELLIS. Well, on the credit basis.

The CHAIRMAN. Did you have to credit them?

Mr. ELLIS. Why, in a way I did—to a certain extent; at least, I thought I did.

The CHAIRMAN. Was there any reason why you felt that you had to extend credit to them?

Mr. ELLIS. I beg your pardon.

The CHAIRMAN. Was there any reason why you felt that you had to extend credit to them?

Mr. ELLIS. Well, I—I thought I had to—it would be best to extend some credit at first to kind of get their friendship and good will.

The CHAIRMAN. Well, did you get it?

Mr. ELLIS. Why, no, sir.

The CHAIRMAN. Do you mean to say that they ate you out?

Mr. ELLIS. Yes, sir.

The CHAIRMAN. And then what became of your property?

Mr. ELLIS. Why, they took it away from me.

The CHAIRMAN. Who took it away from you?

Mr. ELLIS. Why, the building that I was occupying when they took the town belonged to a Spaniard, and they confiscated this building on account of this Spaniard's son being a federal government employee, and he came to this side of the river, and they took this old man's property, demanded me to pay my rent to the jefetura de hacienda, which I did; and later on, why, this—I was getting down very low in funds, and the Spaniard was permitted to come back to town; when he came back, why, I was called up into court and asked why I had not paid my rent to this Spaniard for a year or so; I says, "I have paid the rent, I have been paying it to the jefetura." And I showed him my receipts. He says, "Those receipts are no good. This man's property has been given back to him, and he was just put out for a temporary time; we find he is a friend of our cause, and you will have to pay him this money that was coming to him." And I didn't have the money so I—they took what I had for the——

The CHAIRMAN (interposing). For what they claimed was the debt?

Mr. ELLIS. Yes, sir. The man that owned the building didn't get it. Then they took it, and the next day it was turned over to a friend of Carranza, an officer, and he opened up business with it, with my fixtures and furniture.

The CHAIRMAN. Well, now, as I understand you, first they went just as far as you could allow them to go as to the matter of credit, and then on the theory that the owner of the property was not a friend or had a son who was not their friend, they took away the property?

Mr. ELLIS. Yes, sir.

The CHAIRMAN. And compelled you to pay your rent to the public officials there?

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Mr. ELLIS. Yes, sir.

The CHAIRMAN. To the Mexican officials?

Mr. ELLIS. I paid it to the army officials.

The CHAIRMAN. Then the Spaniard came back and the Mexican court officials ordered you to pay him the back rent?

Mr. ELLIS. Yes, sir.

The CHAIRMAN. Is that it?

Mr. ELLIS. Yes, sir.

The CHAIRMAN. And when you did not do that, why, then the Mexican officials took the fixtures, etc.?

Mr. ELLIS. Yes, sir: the city authorities came right over.

The CHAIRMAN. Instead of turning it over to the Spaniard, to pay his debt, they turned it over to themselves?

Mr. ELLIS. They moved it out the day after I closed the door and handed the key to the Spaniard, why, they came and got the key and moved all this stuff out.

The CHAIRMAN. He turned it over to somebody——

Mr. ELLIS. To another fellow.

The CHAIRMAN. You said a Carranza official? Was he a military official or civil?

Mr. ELLIS. He was a military official; he was a colonel in the Carranza army.

The CHAIRMAN. And he ran the restaurant?

Mr. ELLIS. Yes, sir. His name was Lucio Rendon.

The CHAIRMAN. Did you locate then at Monterrey?

Mr. ELLIS. Afterwards I went to these people and tried to—they always told me they were going to pay me, and I met a general in the Mexican Army—here in the United States; he was over on this side and he told me to come to Monterrey. He seemed to be very friendly with me and I went to Monterrey—and my profession, I am a railroad conductor—and he gave me a passenger run between Monterrey and Torreon, and saying he was just giving it to me as——

The CHAIRMAN. Compensation.

Mr. ELLIS. Compensation, and wait until things got better and they would pay me.

The CHAIRMAN. How long did you continue on this run?

Mr. ELLIS. Until Gen. Pershing went into Mexico. I was discharged.

The CHAIRMAN. The railroad, was that a part of the national lines?

Mr. ELLIS. Yes, sir; operated by the Carranza army at that time.

The CHAIRMAN. You never received your pay then?

Mr. ELLIS. No, sir.

The CHAIRMAN. You never received any compensation? And how much were your damages?

Mr. ELLIS. Well, I—my damages—my books show some fourteen—a little over $14,000.

The CHAIRMAN. Mexican money?

Mr ELLIS. Mexican money; yes, sir.

The CHAIRMAN. About $7,000 gold?

Mr. ELLIS. Yes, sir.

The CHAIRMAN. Have you ever filed any claims?

Mr. ELLIS. Why, the one I am making up now, but on account of my mother's health; why, she is unable to come down town for

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me, to get my birth certificate; as soon as she is able, why, we will have that completed.

The CHAIRMAN. You will forward that and file it with the State Department?

Mr. ELLIS. Yes, sir; I have my application blanks all ready.

The CHAIRMAN. That is all. We are much obliged to you.

TESTIMONY OF MR. H. M. HANDSHY.

(The witness was sworn by Dan M. Jackson, Esq., clerk of the subcommittee, duly authorized thereto.)

Mr. JACKSON. State your name.

Mr. HANDSHY. H. M. Handshy.

The CHAIRMAN. You are a citizen of the United States?

Mr. HANDSHY. Yes, sir.

The CHAIRMAN. Native born?

Mr. HANDSHY. Yes, sir.

The CHAIRMAN. Where? What State?

Mr. HANDSHY. Zanesville, Ohio.

The CHAIRMAN. Have you lived in Mexico any time during the last 10 years?

Mr. HANDSHY. Yes, sir.

The CHAIRMAN. What years?

Mr. HANDSHY. Principally the last 15 years, off and on.

The CHAIRMAN. But I mean what time during the last 10 years: since the revolutionary disturbances in Mexico?

Mr. HANDSHY. Well, I was down at Tampico, and I was at Laredo, and at Magistral, Parral, right south of Parral, two years ago.

The CHAIRMAN. Two years ago?

Mr. HANDSHY. Yes, sir.

The CHAIRMAN. What were you doing at Magistral?

Mr. HANDSHY. I was representing the National Mines & Smelters Co., as bullion conductor and freight—hauling freight on trucks.

The CHAIRMAN. Were there any disturbances around Parral while you were there?

Mr. HANDSHY. No, sir; not at that time.

The CHAIRMAN. How did you—did you have any safe conduct of any kind or any passports or papers?

Mr. HANDSHY. Yes, sir; I had passports from the United States consul, and Mexico.

The CHAIRMAN. From whom in Mexico, if you remember?

Mr. HANDSHY. From the Mexican consul at El Paso.

The CHAIRMAN. Did you know or come in contact with any of the Mexican leaders around there?

Mr. HANDSHY. Yes, sir; we had a guaranty from the time we left El Paso to pass through Magistral in safety, and when we got to Parral—south of Parral, I think, about one day or two days' ride—we had an escort of 400 soldiers, and they escorted us clear through Magistral, and when we got to El Oro there were about 900 soldiers joined in there with those 400, and just a few days before we got there they had a battle with Villa, and it seemed like they ran him into the mountains; and we went on to Magistral with our escort and

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10 trucks, and unloaded—we had three big 10-ton trucks loaded with provisions—we unloaded there, and started—were possibly a block below the smelter—had just about got started—when Villa came in Sunday morning and took the town, put the town to the bad, sacked the town, killed a good many people, and we took a truck load of provisions and went across the mountains to El Oro, about 2 miles away.

The CHAIRMAN. When Villa was at Magistral now and sacked the place, the Carrancistas were at El Oro?

Mr. HANDSHY. Yes, sir.

The CHAIRMAN. About how many miles?

Mr. HANDSHY. Well, you could hear the guns crack over there very distinctly, it wasn't very far, about walking distance; some of the men who worked with me lived in El Oro.

The CHIARMAN. About 2 miles?

Mr. HANDSHY. Something like that—just over the hill.

The CHAIRMAN. So you went there?

Mr. HANDSHY. Yes, sir; went over there and stayed two days, and then came back—we saw Villa had gone—we sent scouts along there and they said they had all left, and we went back. Smith came back in his car the next morning and took the secretary—about 9 o'clock that morning Smith came in, or 10 o'clock—I was at the smelter and Smith was down at the office; he came in——

The CHAIRMAN. Who?

Mr. HANDSHY. Villa and his bunch, and he only had about three or four hundred men, the balance were out at the camp some place, he had about three or four hundred more out there; he didn't need them; he came in, blew the smelter up, dynamited everything, hung Smith and killed his father-in-law and about four other Mexicans out there, and ran the rest into the mountains. Of course, he caught Smith and myself up the road after shooting at us a few times, they headed us off, after a little bit had a little trial out there, took Smith out and hung him, put me under guard and kept me under guard; threw a rope around me but didn't do anything—Villa kept me and treated me well—Villa and I were good friends, I kept his horses; and he went out to the smelter, by that time they got the dynamite out of the shaft and commenced blowing the power plant up; and we stayed around there then all that day, and the Carranza soldiers over the mountain knew all this was going on, because they came along there and we told them what was going on—they knew all about Smith—and they didn't venture to come down to assist us at all. And Pancho told me to stay there a while; I stayed there that day and that night, he gave me plenty of provisions, and went down to where his other men were, about 3 miles.

The CHAIRMAN. That was Pancho Villa?

Mr. HANDSHY. That was Pancho Villa. And the government didn't make any attempt to come over and help us out any. And Pancho told me I had better go to El Oro, that they were going to leave there and go that night; so I got up and walked to El Oro and told them the news and what had happened. So I went over there the next morning—or a couple of days later—and made an estimate of the damage done; I didn't see anything over there, didn't see anybody, the buildings were all burned down.

The CHAIRMAN. You say you did make an estimate?

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Mr. HANDSHY. Yes, sir.

The CHAIRMAN. What was the investment in your power plant?

Mr. HANDSHY. Well, I suppose the whole business, about $500,000. They blew up, dynamited the plant, the gas plant and engines and smelter.

The CHAIRMAN. Did he tell you why he destroyed it?

Mr. HANDSHY. Yes, sir. He said he wanted to show the American people and the public at large that Carranza couldn't carry out his guaranty, that it was worthless—that was the truth, he couldn't carry it out—he told me to bring that proof to the United States—and so I did. I reported it to Zach Cobb, at El Paso and to the American and English consuls at Chihuahua.

The CHAIRMAN. You were friendly with Villa, you say?

Mr. HANDSHY. Yes, sir.

The CHAIRMAN. With his treatment?

Mr. HANDSHY. Yes, sir; he sure did treat me fine.

The CHAIRMAN. Yes; that is, after he took the rope off your neck the second time?

Mr. HANDSHY. Well, he didn't put it on there, some other fellows put it on there—he ordered it off mighty quick when he got there—I guess I had some of the marks on me after I got home; I was afraid of him, I went to meet him and told him I was glad to see him, I knew whose hands I was in, I knew where I was—I got kind of over my scare after they had been shooting at me for about an hour.

The CHAIRMAN. And Villa himself ordered those men who had put the rope on you to take the rope off?

Mr. HANDSHY. Yes, sir; he sure did, and I sat down and ate with him; he told me to ride his horse out to the smelters and lead a bunch of horses out there to keep them away from the destruction of the dynamiting of the buildings; they carried that on about an hour, I guess, before they got through with it. I think they fired about 20 boxes of dynamite and took about 50 away with them in Smith's automobile.

The CHAIRMAN. How did you manage to get along around the country without Villa being with you?

Mr. HANDSHY. Well, I went just over to El Oro and had people come in and tell us.

The CHAIRMAN. Did Villa give you any paper or anything of that kind for your protection?

Mr. HANDSHY. Yes, sir.

The CHAIRMAN. What was it?

Mr. HANDSHY. He gave me a passport; I have it in my pocket.

The CHAIRMAN. He gave you a passport?

Mr. HANDSHY. And I have a photograph I sent to President Wilson, and also sent a copy to Congressman Slayden and Senator Sheppard, with Pancho's name on it. Zach Cobb had that passport. You can read it out—here is the passport and here is the original signed with his name.

The CHAIRMAN. Did you show this to anybody at any time?

Mr. HANDSHY. Yes, sir; I showed it to the general at El Oro, he said that was all right; he didn't object to my carrying that as long as I had any other papers.

The CHAIRMAN. Well, anywhere in Villa's territory that assured you safety, did it?

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Mr. HANDSHY. I got through everywhere; yes, sir—they seemed to know that I was the right man, but they stopped me once or twice coming through, and I brought some trucks back, right from the mines to Parral, without any disturbance at all—we met a few small gangs; they didn't bother us—I suppose he had sent word on ahead that we would go out, and I wanted to get those trucks out, because he had scouts in pretty near all those towns; he has pretty near all these small towns handicapped when it comes to getting through.

The CHAIRMAN. You are familiar with the people in the small towns there?

Mr. HANDSHY. Yes, sir.

The CHAIRMAN. In the country districts in that neighborhood?

Mr. HANDSHY. Yes, sir; very much so—Jimenez and different places.

The CHAIRMAN. Talked with them; been with them?

Mr. HANDSHY. Yes, sir.

The CHAIRMAN. Had them in your employ?

Mr. HANDSHY. Yes, sir.

The CHAIRMAN. What is the feeling among them generally, as far as you are able to judge, as to whom they favor now?

Mr. HANDSHY. Well, they favor better conditions than Carranza gives them—I don't know who—they claim they are getting to be worse all the time.

The CHAIRMAN. They are as well satisfied when Villa is in the country as when Carranza is?

Mr. HANDSHY. Yes, sir; they seem to be; yes, sir; many of the merchants in Parral told me that when they had Villa in there they were much better satisfied; much better protected with their stores, and everything, than when the soldiers were in there.

The CHAIRMAN. Did Villa seem to have control of his soldiers when he was there with them?

Mr. HANDSHY. Yes, sir; and they were better equipped by far than the other soldiers, according to their surroundings and everything.

The CHAIRMAN. You say that he was—appeared to be better outfitted, his men?

Mr. HANDSHY. Oh, yes, sir.

The CHAIRMAN. How do you mean?

Mr. HANDSHY. He had better horses and better rifles—he got about 50 or 60 rifles out of our bunch and a couple of thousand rounds of ammunition; they were all good, principally new guns; when we left El Paso, a good many of the men had private guns in there, you know—had them stored over in Juarez. What I did find out at Chihuahua—I was there a couple of months at intervals and found out over at the arsenal, where they were making guns and repairing guns, they had at least 25 or 50 German mechanics in there; I was over there practically every day just fooling around to find out—they didn't have no objection to my being there at all—they boarded at the same hotel I did and ate at the same restaurant and I was with them every once in a while.

The CHAIRMAN. For whom were you doing this work?

Mr. HANDSHY. For the Government.

The CHAIRMAN. For Villa?

Mr. HANDSHY. No; for the Government.

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The CHAIRMAN. For Carranza?

Mr. HANDSHY. Yes, sir. Guns came in there, you know, half a car load at a time, and saddles—old broken guns; and they were making repairs and everything there, of the equipment.

Senator SMITH. What year was that?

Mr. HANDSHY. That was 1917 and part of 1918. I left there in 1918.

The CHAIRMAN. 1917 and 1918?

Mr. HANDSHY. Yes, sir.

The CHAIRMAN. Were those German workmen experts?

Mr. HANDSHY. Seemed to be; a good many of them came down from the strike of the miners, from Arizona—I knew a good many of them from Phoenix and Bisbee, out there—they were miners at that time then when I was there.

The CHAIRMAN. Have you been back since?

Mr. HANDSHY. No, sir. I had no occasion to go back, only in one direction—I know where there is $3,000,000 or $4,000,000 worth of bullion hid away, that Villa told me about, so I guess I will go and get that out when I have time—I know right where it is.

Senator SMITH. How many men did Villa have over at the place where these works were destroyed?

Mr. HANDSHY. He had about 400.

Senator SMITH. How many Carrancistas were over the hill a mile or two away?

Mr. HANDSHY. They claimed to be 900.

Senator SMITH. Nine hundred?

Mr. HANDSHY. Yes, sir.

Seantor SMITH. And those 900, you say, were in easy hearing of these guns?

Mr. HANDSHY. Yes, sir; you could hear the guns both ways—when Villa would go up on the hill, you could see that bunch going across every day—and you wouldn't have the soldiers.

Senator SMITH. After notifying the Carranza soldiers, after arriving there, were any efforts made by them—these Carranza soldiers—to further engage Villa?

Mr. HANDSHY. No, sir. He just came and went whenever he wanted to. They just stayed at their posts all the time; they had dugouts, dugouts for about two miles and a few guns buried there and barricaded there, they didn't attempt to go from there at all.

The CHAIRMAN. That is all. We are very much obliged.

TESTIMONY OF MRS. A. H. McCAIN.

(The witness was duly sworn by Dan M. Jackson, Esq., clerk of the subcommittee, duly authorized.)

The CHAIRMAN. Where do you live, Mrs. McCain?

Mrs. McCAIN. I live in San Antonio at the present time.

The CHAIRMAN. You are a citizen of the United States?

Mrs. McCAIN. Yes, sir.

The CHAIRMAN. Native born?

Mrs. McCAIN. Yes, sir.

The CHAIRMAN. What State?

Mrs. McCAIN. Texas.

The CHAIRMAN. How long have you lived here?

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Mrs. McCain. In San Antonio?

The Chairman. Yes, ma'am.

Mrs. McCain. At the present time I just returned from Europe. I served overseas over a year.

The Chairman. In what branch?

Mrs. McCain. In the Y. M. C. A. canteen service.

The Chairman. Where were you before you went to Europe?

Mrs. McCain. Before I went to Europe, six months I was in San Antonio, previous to that I was in Refugio, Tex., and in Brownsville, traveling mostly.

The Chairman. I don't know what the substance of your testimony is, you can make any statement you want to, Mrs. McCain.

Mrs. McCain. My husband was killed in Brownsville, Tex., October 18, 1915, in a border raid, and the train was wrecked. Several United States soldiers were killed at the same time.

The Chairman. Who killed them, if you know?

Mrs. McCain. I don't know, it was supposed to be from the other side, I don't know.

The Chairman. That was what was known as the De la Rosa raids?

Mrs. McCain. I suppose so; yes, sir. The State of Texas at the time offered a reward for his capture.

The Chairman. You know nothing about the identity of those who wrecked the train and did the killing?

Mrs. McCain. No, sir; I know nothing about it because I left Brownsville at the time, after that.

The Chairman. Was your husband on the train?

Mrs. McCain. Yes, sir; he was on the train.

The Chairman. At the time of the wreck?

Mrs. McCain. At the time of the wreck, and he was shot that night.

The Chairman. He was shot?

Mrs. McCain. Yes, sir.

The Chairman. Killed by a gunshot?

Mrs. McCain. Killed by a gunshot; died the next day at 1.25.

The Chairman. Was he conscious—did he know anything about who killed him?

Mrs. McCain. He was perfectly conscious, but I don't know whether he did or not—I don't know anything about that very much. I think his statement was, though, he was shot by Mexicans; I know that was his statement; that is proven without doubt.

The Chairman. Yes; the committee will have other evidence more nearly identifying the perpetrators. What was your husband's name?

Mrs. McCain. Eugene Shannon McCain.

Senator Smith. What was his profession?

Mrs. McCain. He was a medical man, a doctor.

The Chairman. Did he have any official position?

Mrs. McCain. He was quarantine physician of the State of Texas, stationed at Brownsville.

The Chairman. His official duties required him to travel on the train?

Mrs. McCain. Yes, sir.

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The CHAIRMAN. He was on official duty at this time?

Mrs. McCAIN. Yes, sir; in line of duty.

The CHAIRMAN. Of course you received no remuneration of any kind from any source?

Mrs. McCAIN. No, sir; absolutely none.

The CHAIRMAN. Thank you very much, we will have other evidence.

TESTIMONY OF D. R. McCORMICK.

(The witness was sworn by Dan M. Jackson, Esq., clerk of the commitee, duly authorized thereto.)

The CHAIRMAN. What is your name?

Mr. McCORMICK. D. R. McCormick.

The CHAIRMAN. Your residence, please.

Mr. McCORMICK. 716 West Cypress, San Antonio, Tex.

The CHAIRMAN. Are you a citizen of the United States?

Mr. McCORMICK. Yes, sir.

The CHAIRMAN. Native born?

Mr. McCORMICK. Yes, sir.

The CHAIRMAN. What State?

Mr. McCORMICK. Maryland.

The CHAIRMAN. Do you know anything about Mexico; have you ever lived there?

Mr. McCORMICK. Yes, sir.

The CHAIRMAN. When did you go to Mexico?

Mr. McCORMICK. In 1882.

The CHAIRMAN. 1882?

Mr. McCORMICK. Yes, sir.

The CHAIRMAN. Where did you go?

Mr. McCORMICK. In Chilhuahua.

The CHAIRMAN. Are you familiar with any other part of Mexico?

Mr. McCORMICK. Some; yes, sir.

The CHAIRMAN. What other part?

Mr. McCORMICK. In Coahuila I went—excuse me, I first went in Coahuila in 1882, and in Chihuahua afterwards.

The CHAIRMAN. Did you have your family with you?

Mr. McCORMICK. Yes, sir.

The CHAIRMAN. What was your business?

Mr. McCORMICK. Cattle.

The CHAIRMAN. Do you own a ranch, or lease property?

Mr. McCORMICK. I leased property in the State of Coahuila.

The CHAIRMAN. How many cattle did you have there?

Mr. McCORMICK. I had a partner, Thomas Hughes; we had about 15,000.

The CHAIRMAN. How long did you continue in the cattle business?

Mr. McCORMICK. On that ranch, 12½ years.

The CHAIRMAN. That would be until 1894?

Mr. McCORMICK. Yes, sir.

The CHAIRMAN. What were the conditions of the country during that time, from 1882 to 1894?

Mr. McCORMICK. In what respect?

The CHAIRMAN. Well, as to peace and order, or violence of law?

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Mr. McCormick. We didn't have any trouble. I didn't have any trouble during that time, with the State nor with the Federal authorities, at all.

The Chairman. Well, did you have any trouble with bandits?

Mr. McCormick. No, sir.

The Chairman. Where did you go then, in 1894?

Mr. McCormick. In 1894 we sold out and I came back into Texas.

The Chairman. Did you go back to old Mexico after that?

Mr. McCormick. Yes, sir.

The Chairman. When?

Mr. McCormick. I think that was in—I think that was about 1897 I went back there.

The Chairman. How long did you remain, then?

Mr. McCormick. I think it was about four years, in the State of Coahuila. Four years in the State of Coahuila, I was on the Tierra Blanca ranch.

The Chairman. Did you own it or lease it?

Mr. McCormick. I was manager there.

The Chairman. Cattle ranch?

Mr. McCormick. Yes, sir.

The Chairman. How many cattle were there running on the ranch?

Mr. McCormick. I expected there was about 8,000 there.

The Chairman. When did you come out—come away from there?

Mr. McCormick. I was there, I think, about four years.

The Chairman. That would be about 1901?

Mr. McCormick. I think something like that; yes, sir.

The Chairman. And did you ever go back to Mexico?

Mr. McCormick. Yes, sir.

The Chairman. What year? Well, during the years from 1897 to 1901 what were the conditions as to law and order?

Mr. McCormick. I didn't have any trouble at all; shipped cattle to the City of Mexico all the time I was there; crossed some into the United States on the other ranch, after I crossed out, while I was there in 1882. Then, you know the Wilson bill took effect and I could cross them out, but during the other time the duty was too high.

The Chairman. Did you dispose of them within the Republic?

Mr. McCormick. Yes, sir; disposed of them in the City of Mexico and in the other cities there, too.

The Chairman. Then, when did you go back into Mexico, if at all?

Mr. McCormick. Well, I went into Chihuahua about six months after I quit there.

The Chairman. How long did you stay there?

Mr. McCormick. Well, on that ranch I went and took charge of the T. O. ranch in the State of Chihuahua. It belonged to Dr. Wood, of Kansas City. It had 1,000,000 acres of land in it, and there were about 14,000 cattle, I suppose.

The Chairman. How long did you remain there?

Mr. McCormick. I think about three years. Senator, I would like to say this: I didn't intend to testify; I might get these here dates mixed up; if you will leave me until to-morrow I can have the dates and everything fixed up. I can make a little note of it.

The Chairman. You can get it approximately; that is what we are after. I want to show by you the condition during the years previous

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to 1911 and the conditions subsequent to the year 1911, in so far as you know. State what year you were on the T. O. ranch.

Mr. McCORMICK. I think I was there three years.

The CHAIRMAN. The conditions were what during that time?

Mr. McCORMICK. I didn't have any trouble with the State or Federal authorities at all.

The CHAIRMAN. Were you in Mexico at all after the year 1910?

Mr. McCORMICK. Some; yes, sir.

The CHAIRMAN. Where?

Mr. McCORMICK. In Chihuahua.

The CHAIRMAN. In the cattle business?

Mr. McCORMICK. Yes, sir.

The CHAIRMAN. Whereabouts?

Mr. McCORMICK. Well, I went and received those cattle on the Palomas Land & Cattle Co., and I forgot just the dates, but I received these, and I stayed there about two years, I think.

The CHAIRMAN. The Palomas Land & Cattle Co.?

Mr. McCORMICK. Yes, sir; that is in the State of Chihuahua. Yes, sir; they had about 2,000,000 acres of land, and I counted there about 28,000 cattle.

The CHAIRMAN. That ranch is along the border of New Mexico extending west?

Mr. McCORMICK. Yes, sir; I think there is something over—pretty nearly 100 miles along the line of New Mexico.

The CHAIRMAN. South of Columbus?

Mr. McCORMICK. Yes, sir.

The CHAIRMAN. The T O ranch is on the border below the Rio Grande?

Mr. McCORMICK. Yes, sir; right south of Sierra Blanca.

The CHAIRMAN. What were the conditions after 1910 and 1911, subsequent to 1910?

Mr. McCORMICK. When I first went on this ranch, it was before that, everything was good before the revolution started, on Madero—I was there when that started.

The CHAIRMAN. Then what occurred?

Mr. McCORMICK. A good bit from that on.

The CHAIRMAN. Any of your family with you?

Mr. McCORMICK. Yes, sir; my wife was there with me. I had my wife with me.

The CHAIRMAN. I mean on the Palomas Land & Cattle Co.?

Mr. McCORMICK. Yes, sir; I brought my wife out just a few days after the fight there at Casas Grandes.

The CHAIRMAN. As long as you remained there, then, were you familiar with that part of the country subsequent to 1911; what were the conditions as to peace and order, or violence?

Mr. McCORMICK. We didn't have any trouble; didn't feel any uneasiness at all.

The CHAIRMAN. I say subsequent to 1911, subsequent to the battle of Casas Grandes?

Mr. McCORMICK. Everything was peaceable; they didn't have any trouble at all.

The CHAIRMAN. Afterwards?

Mr. McCORMICK. Well, after that there was trouble.

The CHAIRMAN. What was the character of the trouble?

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Mr. McCormick. Well, different parties would come along and they would take cattle and horses and demand the money and the things, provisions, take them, and the horses and saddles.

The Chairman. Can you give me the names of any of the bands, or the leaders of bands, who demanded money and took property?

Mr. McCormick. Well, the first one that came by the ranch there was John Cruz Blanco; I believe that was his name.

The Chairman. Jose de la Luz Blanco, was it not?

Mr. McCormick. I think so; yes, sir.

The Chairman. He was originally with Orozco, Pasqual Orozco, in the Madero revolution, was he not?

Mr. McCormick. I couldn't say. He came there and got provisions, but he paid for them; but he killed some cattle and didn't account for them nor pay for them. He didn't make much trouble.

The Chairman. Well, who else came afterwards?

Mr. McCormick. Well, I wasn't there in charge after that very long; my sons took charge.

The Chairman. Do you know from your son what happened to him?

Mr. McCormick. Yes, sir; then I was in there and helped him to cross out a good many cattle; I saw some things then, also.

The Chairman. What happened to your son, if anything?

Mr. McCormick. Well, they captured him and held him for a ransom.

The Chairman. Who held him, do you know?

Mr. McCormick. Well, the first outfit was the Salazar outfit.

The Chairman. Inez Salazar?

Mr. McCormick. Yes, sir.

The Chairman. Was he ransomed?

Mr. McCormick. Yes, sir.

The Chairman. How much?

Mr. McCormick. $5,000, gold. The company paid it—the Palomas Land and Cattle Co.

The Chairman. Was he ever captured again?

Mr. McCormick. Yes, sir.

The Chairman. Who took him the next time?

Mr. McCormick. Why, it was the Castillo outfit took him.

The Chairman. Maximo Castillo?

Mr. McCormick. Yes, sir.

The Chairman. The gentleman who had something to do with the burning of a train with Americans on it in Cumbre Tunnel?

Mr. McCormick. The same party.

The Chairman. Did he capture your son?

Mr. McCormick. No, sir; not he himself; some of his men did.

The Chairman. Did they demand a ransom?

Mr. McCormick. Yes, sir.

The Chairman. Did they get it?

Mr. McCormick. Yes, sir.

The Chairman. How much?

Mr. McCormick. Five thousand gold, First National Bank at El Paso.

The Chairman. That seemed to be the regular price?

Mr. McCormick. Yes; well, the next time, Castillo, he wasn't quite so vicious, he only got the five thousand Mexican.

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The CHAIRMAN. But this third time?

Mr. McCORMICK. This time was Castillo.

The CHAIRMAN. That the second time?

Mr. McCORMICK. The second time he didn't get gold then, they bought the money in El Paso but didn't give so much. Then he was captured another time but he was with the vice president of the company, Stevenson.

The CHAIRMAN. Stevenson, of Los Angeles, vice president of the company, was in company with Mr. McCormick's son?

Mr. McCORMICK. They held him while Stevenson went and got the money at El Paso, held him three days there.

The CHAIRMAN. How much did they get that time?

Mr. McCORMICK. I ain't real sure, but I think it was in the neighborhood of $3,000.

The CHAIRMAN. Do you know who that was who had him that time?

Mr. McCORMICK. I have forgotten who that was.

The CHAIRMAN. Did your son come out then?

Mr. McCORMICK. Sir?

The CHAIRMAN. Did your son come out then or did he stay there?

Mr. McCORMICK. No, he went back.

The CHAIRMAN. Did anything else happen to him?

Mr. McCORMICK. Well, I think he had a good bit of unpleasantness there, horses taken, and the like of that.

The CHAIRMAN. Was he captured any more?

Mr. McCORMICK. No, sir; that was the only three times that they took charge of him.

The CHAIRMAN. Do you know how many times they took charge of Stevenson himself?

Mr. McCORMICK. I don't know, I think only twice. He wasn't in there as much as my son, they didn't have a chance.

The CHAIRMAN. They had a negro man working for them there?

Mr. McCORMICK. No, sir; he was with the Ojitos ranch, Warren, he would make you a good witness.

The CHAIRMAN. Do you know whether he had to pay a ransom?

Mr. McCORMICK. Yes, sir.

The CHAIRMAN. For Bunk?

Mr. McCORMICK. Yes, sir; for Bunk.

The CHAIRMAN. How much did they have to pay for Bunk?

Mr. McCORMICK. I think the price was $5,000.

The CHAIRMAN. Have you been at all familiar with the country since there recently—within the last year or two?

Mr. McCORMICK. No, sir; I have not been over there since my son left there—about——

The CHAIRMAN. Do you know Tom Kingsbury?

Mr. McCORMICK. Oh, very well. He was the man that turned the cattle over to me—that is, from the other company—we counted them together.

The CHAIRMAN. Do you know where he is?

Mr. McCORMICK. Dead, they told me.

The CHAIRMAN. He was working for the Palomas Land & Cattle Co. at the time of his death?

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Mr. McCormick. Yes, sir. He was the second man after my son quit there; I got my son to quit when Carranza was recognized; I didn't think it was safe for him to stay there.

The Chairman. It had been apparently safe before that?

Mr. McCormick. Yes, sir.

The Chairman. After Carranza was recognized?

Mr. McCormick. I thought it was time to get out; he wasn't as old as I was, and I finally got him to come out, but Kingsbury was the second man. You know there was another man in charge after my son was, a fellow by the name of McKinney—Arthur McKinney.

The Chairman. What happened to him?

Mr. McCormick. The same road as Kingsbury. He is dead. They killed him.

Senator Smith. Who did the killing, do you know?

Mr. McCormick. The outfit that killed—yes, sir; I know him. I know who killed Arthur McKinney; that was the Villa outfit after they got defeated up at Agua Prieta. He came down there then and Arthur McKinney was working on a ranch rounding up, and Villa came down there on the Boca Grande River and found him there and killed him, and killed another American up there with him.

The Chairman. Do you remember the name of the man—was it Bishop?

Mr. McCormick. Cobert was the man that was killed there.

The Chairman. Then Kingsbury disappeared within the last year or two?

Mr. McCormick. Kingsbury, I think; I have forgotten just when it was.

The Chairman. It is a comparatively recent date?

Mr. McCormick. Yes, sir; I don't think they found him or his horse. Arthur McKinney's remains were brought back on this side.

The Chairman. After Carranza was recognized you didn't go back into Mexico yourself, I mean, to live there?

Mr. McCormick. To live there; no, sir.

The Chairman. And you persuaded your son to come out?

Mr. McCormick. Yes, sir.

The Chairman. Thank you very much.

TESTIMONY OF PAUL METZENTHIN.

(The witness was sworn by Dan M. Jackson, Esq., clerk of the committee, duly authorized thereto.)

Mr. Jackson. State your name.

Mr. Metzenthin. Paul Metzenthin, jr.

The Chairman. Where do you live?

Mr. Metzenthin. 221 Van Ness.

The Chairman. San Antonio, Tex.?

Mr. Metzenthin. Yes, sir.

The Chairman. Are you a citizen of the United States?

Mr. Metzenthin. Yes, sir.

The Chairman. Native born?

Mr. Metzenthin. Yes, sir.

The Chairman. In what State?

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Mr. METZENTHIN. Pennsylvania.

The CHAIRMAN. Have you had any experience in Mexico?

Mr. METZENTHIN. Yes, sir.

The CHAIRMAN. In what year?

Mr. METZENTHIN. 1913.

The CHAIRMAN. What part of Mexico?

Mr. METZENTHIN. In the lower part of the State of Sonora.

The CHAIRMAN. What were you doing there?

Mr. METZENTHIN. We went down there to raise cattle and farm.

The CHAIRMAN. Who?

Mr. METZENTHIN. The family—father, mother, three boys, and a sister.

The CHAIRMAN. Where is your farm?

Mr. METZENTHIN. It was approximately 50 miles due south of Guaymas.

The CHAIRMAN. On a river?

Mr. METZENTHIN. Below the Yaqui River in what is known as the Yaqui Delta.

The CHAIRMAN. Under an irrigation project?

Mr. METZENTHIN. Yes, sir; under an irrigation project.

The CHAIRMAN. Were there many Americans there?

Mr. METZENTHIN. Yes, sir; it was quite an American colony.

The CHAIRMAN. Was that under one of Richardson Construction Co.'s enterprises?

Mr. METZENTHIN. Yes, sir; Richardson Construction Co.

The CHAIRMAN. How long did you live there?

Mr. METZENTHIN. We went down the 1st of March, and after we were raided we, of course, tried to get out in the quickest time possible. The raid occurred on the 6th of May, and it was about the 22d of August before I got out of the country.

The CHAIRMAN. What was the reason for the delay?

Mr. METZENTHIN. Why, after the raid I had three cripples on hand.

The CHAIRMAN. How do you mean?

Mr. METZENTHIN. After the raid father's health was such he could not move, and mother and sister were nervous, broke down, they couldn't walk around the house at all, much less make any sort of a trip.

The CHAIRMAN. Who was responsible for the raid, who were the leaders, I mean?

Mr. METZENTHIN. Yaqui Indians.

The CHAIRMAN. Were they in any governmental force, or were they just raiding on their own account?

Mr. METZENTHIN. No; they were under the command of Luis Espinoza. He was a regular commissioned lieutenant under Carranza. Carranza had, all during our stay in Sonora, complete control over the State. He was recognized as the stable government of that State.

The CHAIRMAN. Espinoza was in——

Mr. METZENTHIN. Regular commission.

The CHAIRMAN. About how many were there in the party of raiders?

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Mr. METZENTHIN. There were possibly 200 but only about 80 came into the ranch—that is, came up to the house, and the others stayed out.

The CHAIRMAN. What did they do when they came to your place?

Mr. METZENTHIN. They took complete possession of the place. They lined us three boys up against a wall and held machetes to our throats and told us if we dared to drop our hands they would cut our heads off. They held us in that position from approximately a quarter past 12 until about 4.30 in the evening.

The CHAIRMAN. In the meantime?

Mr. METZENTHIN. In the meantime they carried off everything they could—that is, they ransacked the house, took all the provisions—we had stocked up for a year—and took all the stock we had, and they drove the stock that they took, which consisted largely of hogs, and they drove them through the crops, broke the irrigation canals, and cut fences—in other words, they ruined the crops.

The CHAIRMAN. Of what did the crops consist?

Mr. METZENTHIN. The crops consisted largely of corn, milo maize, beans, watermelons, and canteloupes. You see, it was truck farming.

The CHAIRMAN. Where was your market, where did you propose to sell your crops?

Mr. METZENTHIN. We sold our stuff to a St. Louis agent who was stationed in Esperanza.

The CHAIRMAN. What did you do with your hogs when you raised them?

Mr. METZENTHIN. Well, the hogs we disposed of at the same market.

The CHAIRMAN. This raiding party drove the hogs off?

Mr. METZENTHIN. They drove everything off.

The CHAIRMAN. Yes.

Mr. METZENTHIN. They drove everything off, didn't leave anything on the place; they even took everything off of us in the way of clothes, except our underwear, and on this occasion they stripped a chinaman, our house servant; stripped him in front of mother and sister; and they threatened to carry off, tried to carry off, mother and sister; but we left them under the impression that there were more Americans than what there really were, and it seemed as though it had some weight with them; at any rate, after a while they left mother and sister alone; and they threatened us and told us they were coming back again, which they did. We, of course, were not ón the place any more; but they said they were coming back, and wanted a sum of money; what the sum was I have forgotten, and told us if the money wasn't there they would kill us and burn the house and barns, which they did; they burned them.

The CHAIRMAN. They did, later?

Mr. METZENTHIN. They came in, just as they said.

The CHAIRMAN. And burned the house and barn?

Mr. METZENTHIN. About 30 days later.

The CHAIRMAN. Where did you go after they left the ranch?

Mr. METZENTHIN. After they left the ranch that night we were all afraid to venture anywhere off the place anywhere; we were not familiar with the ground, and we stayed on the place that night,

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and some Americans heard of the raid, and they sent a man down with a small buckboard, and he got mother and sister and father and one brother, and took them into the village. The other brother and myself, we had to hit for the hills; that is, we took a roundabout way on foot.

Senator SMITH. What village?

Mr. METZENTHIN. Esperanza, on the railroad.

The CHAIRMAN. How long did you remain out in the hills?

Mr. METZENTHIN. We got in that same night; made a roundabout trip so as to avoid the Yaquis.

The CHAIRMAN. What is the difference between the Yaqui soldiers and any other soldiers in the Carranza command there; any?

Mr. METZENTHIN. Well, the Yaquis are full-blooded Indians, and in that section of the country they are known as devils and broncos—anything that expresses meanness. They are the cruelest soldiers that are known to be in the Mexican Army.

The CHAIRMAN. Then as soon as you could, you got out of the country?

Mr. METZENTHIN. As soon as we could we got out of the country.

The CHAIRMAN. You said your mother and your sister were prostrated through shock?

Mr. METZENTHIN. Absolutely; and to this day, sister is not normal; absolutely, not normal; in fact, sister has suffered a complete lapse of memory for approximately three and a half years.

The CHAIRMAN. You haven't been back since?

Mr. METZENTHIN. No, sir; I have not been back since.

The CHAIRMAN. Do you know whether any of the other colonists left?

Mr. METZENTHIN. Well, we were among the last; that is, among the last families to leave. There were men without dependents who stayed down there later than we did; but we were about the last family to leave.

The CHAIRMAN. The others had been driven out before?

Mr. METZENTHIN. No; they had ways of getting out; and among other things, the Richardson Co. furnished a boat for the women and children who could stand an overland trip of possibly 60 miles through the desert, and most of them got out on this boat.

The CHAIRMAN. About how many colonists were there who came out; if you know, approximately?

Mr. METZENTHIN. Approximately 200 left on that boat.

The CHAIRMAN. They came out before this raid upon your place?

Mr. METZENTHIN. No; they came out after the raid. There was no one had left before the raid.

The CHAIRMAN. Everything seemed to be comparatively safe?

Mr. METZENTHIN. When we went down, in fact, with this stock in Hermosillo, we left a wide trail, and wanted to be sure what we were getting into. We were assured on every hand. Among others who assured us every protection in the world was this Col. Alvarado. He is now general.

The CHAIRMAN. Salvador Alvarado?

Mr. METZENTHIN. What his initials are I really don't know. And we went farther down, and when we got to Esperanza we went over to the little village Cocorit. Cocorit was the seat of the municipal

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government, and the authority at Cocorit told us we would not be molested in any way, and told us if anything came up they would notify us; they would warn us, and would give us any protection we wanted: so we felt perfectly safe in going ahead, and we stayed there from—let's see—it was a little better than two months, without any trouble of any kind.

The Carranza troops and the Huerta troops both would come by, and they would send two or three messengers up and ask for supplies or for stock, and we would absolutely refuse this; we explained to them we were Americans. They offered us paper money at first, that is, promissory notes, and then grew rather insistent, and we always explained to them we were Americans, we would neither sell nor give to either side. And, whenever there was any little engagement in the neighborhood we stayed away from it, so there was nothing in the wide world for them to have any hard feeling toward us.

The CHAIRMAN. Do you know how far from your place Gen. Alvaro Obregon's home was?

Mr. METZINTHIN. No: I don't know how far it was.

The CHAIRMAN. Do you know who was in general command of the Yaquis fighting the Huertistas down there in that country?

Mr. METZINTHIN. They were under an Obregon. He had his headquarters at that time at Cruz de Piedra, which is, roughly estimating, about 15 miles from Guaymas. Now, which of the Orozcos that was I don't remember: there were three Orozcos.

The CHAIRMAN. I spoke of Obregon.

Mr. METZINTHIN. Oh, Obregon?

The CHAIRMAN. Obregon; yes.

Mr. METZINTHIN. I can't place an Obregon just now, the name though I know that we came in contact with it somewhere, but just where it was I don't recollect.

The CHAIRMAN. Of course the Orozcos whom you mentioned were in there, I think, Pasqual Orozco, he was never there in that part?

Mr. METZENTHIN. No; Pasqual was never there; it was one of the lesser Orozcos.

The CHAIRMAN. Yes; I recall one of them. You have never received any remuneration of any kind?

Mr. METZINTHIN. Not a cent; no, sir.

The CHAIRMAN. Approximately what were your losses, roughly speaking?

Mr. METZINTHIN. I should imagine it run in the neighborhood of $20,000.

The CHAIRMAN. Mexican money or gold?

Mr. METZINTHIN. Well, in our money. You must remember—bear in mind at the time I went down there I wasn't 17, and after this raid, why, things happend so fast and I had so much on my hands that on certain points I can't be positive.

The CHAIRMAN. Is your mother too ill to appear before the committee?

Mr. METZINTHIN. Well, I shouldn't like to have her appear.

The CHAIRMAN. We had no intention of subpœnaing her unless she was able to come. How old was your sister at this time?

Mr. METZINTHIN. Sister, at that time, was 14.

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The CHAIRMAN. I think that is all, sir; very much obliged.

* * * * * * *

The CHAIRMAN. Let the record show the committee will now be in recess until to-morrow morning, as it will go into executive session; there are several witnesses in attendance who for one reason and another, who, in judgment sufficient to themselves, and in the judgment of the committee, is sufficient to justify them in having their testimony taken in executive session. In the absence of any witness to be examined in open session we will take a recess now until to-morrow at 10.30. We will have an executive session all day.

* * * * * * *

Thereupon at 3.50 o'clock p. m., the committee recessed until Saturday, January 17, at 10.30 o'clock, a. m.

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INVESTIGATION OF MEXICAN AFFAIRS.

SATURDAY, JANUARY 17, 1920.

UNITED STATES SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON FOREIGN RELATIONS.

The subcommittee met pursuant to adjournment at 11.15 o'clock a. m. in the pink room of the Gunter Hotel, San Antonio, Tex.

Present: Senators Fall (chairman) and Smith; Dan M. Jackson, Esq., clerk of the subcommittee.

TESTIMONY OF C. L. GARDNER.

(The witness was duly sworn by Dan M. Jackson, Esq., clerk of the subcommittee, duly authorized thereto.)

The CHAIRMAN. Where do you live, Mr. Gardner?

Mr. GARDNER. At present I am located at Hot Springs, Ark.

The CHAIRMAN. Are you a citizen of the United States?

Mr. GARDNER. Yes, sir.

The CHAIRMAN. Native born?

Mr. GARDNER. Native born.

The CHAIRMAN. In what State?

Mr. GARDNER. Ohio.

The CHAIRMAN. Have you been in Mexico within the last 10 years; that is, since 1910?

Mr. GARDNER. I came out of Mexico—I left the City of Mexico the 25th of August—last August.

The CHAIRMAN. 1919?

Mr. GARDNER. Yes, sir; I came through San Antonio.

The CHAIRMAN. When were you first in Mexico?

Mr. GARDNER. I went to Mexico to live in 1897.

The CHAIRMAN. What was your business there?

Mr. GARDNER. I was a railroad conductor.

The CHAIRMAN. Where was your residence?

Mr. GARDNER. My residence?

The CHAIRMAN. I mean, where did you—did you have a home, temporary or otherwise, in Mexico?

Mr. GARDNER. In the City of Mexico, all the time I was there.

The CHAIRMAN. Did you have a family?

Mr. GARDNER. My wife was with me.

The CHAIRMAN. Where did she reside?

Mr. GARDNER. She was with me.

The CHAIRMAN. In the City of Mexico?

Mr. GARDNER. Yes, sir.

The CHAIRMAN. Upon what roads were you employed?

Mr. GARDNER. At first on the Mexican Central, and then with the Cuernavaca during the construction of it—when Joe Hanson was

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building, I worked for him over there; and then I came back to the Central, and then I went to the National lines and worked there awhile, and back to the Central, and finally the Central was taken in by the National, and later on the Cuernavaca division; that was the last work I did after it got to be a division of the National lines.

The CHAIRMAN. When was that; when you went back the last time to the Cuernavaca division?

Mr. GARDNER. Cuernavaca division—that was about 1908.

The CHAIRMAN. Were you there when the Madero revolution occurred?

Mr. GARDNER. Yes, sir.

The CHAIRMAN. Where were you then?

Mr. GARDNER. In the City of Mexico.

The CHAIRMAN. That was in 1911?

Mr. GARDNER. In 1911 I was running a passenger train between the Balsas River and the City of Mexico.

The CHAIRMAN. Were you a railroad conductor?

Mr. GARDNER. Yes, sir.

The CHAIRMAN. Did you belong to your order?

Mr. GARDNER. Yes, sir.

The CHAIRMAN. What happened, if anything, to the Order of Railroad Conductors in Mexico after the Madero revolution?

Mr. GARDNER. Well, sir, they were discriminated against to such an extent that they could not stay.

The CHAIRMAN. You had an order in the Republic of Mexico?

Mr. GARDNER. Yes, sir; we had a division there.

The CHAIRMAN. The headquarters were at Guadalajara?

Mr. GARDNER. In the City of Mexico.

The CHAIRMAN. City of Mexico?

Mr. GARDNER. Yes, sir.

The CHAIRMAN. Who was the chief of that order there?

Mr. GARDNER. Well, there was different ones.

The CHAIRMAN. I mean just before you came out?

Mr. GARDNER. I was.

The CHAIRMAN. You were?

Mr. GARDNER. Yes; I was the chief there.

The CHAIRMAN. Do you recall the issuing of a statement addressed to the Order of Railroad Conductors in Mexico by one of their members about 1912 disbanding the order and telling them to get out of Mexico, that they were being so discriminated against?

Mr. GARDNER. That was the 17th of April, 1912; we all got.

The CHAIRMAN. The 17th of April, 1912?

Mr. GARDNER. Yes, sir.

The CHAIRMAN. Did you quit of your own accord or because of circumstances compelling you to do so?

Mr. GARDNER. We were compelled to do so.

The CHAIRMAN. Do you remember what was known as "La Gran Liga" among Mexicans?

Mr. GARDNER. "La Gran Liga," si, senor.

The CHAIRMAN. What was the watchword of "La Gran Liga," if you know in Mexico? "Mexico for the Mexicans"?

Mr. GARDNER. "Mexico for the Mexicans."

The CHAIRMAN. Supposed to be organized by Mexican railroad employees originally?

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Mr. GARDNER. Yes, sir.

The CHAIRMAN. And claiming to number about 25,000 members about the time you went out of there?

Mr. GARDNER. Yes, sir.

The CHAIRMAN. That was my understanding. Do you know Jack Johnson?

Mr. GARDNER. I do.

The CHAIRMAN. Who is he?

Mr. GARDNER. He is the ex-pugilist of the United States.

The CHAIRMAN. He is "ex" now. Do you know where he is?

Mr. GARDNER. He was in Mexico when I left; I seen him every day.

The CHAIRMAN. In August of this year?

Mr. GARDNER. Yes, sir.

The CHAIRMAN. He is the colored ex-champion?

Mr. GARDNER. Yes, sir.

The CHAIRMAN. Do you know what his business is there?

Mr. GARDNER. Well, he is in the same business; holding bouts there for money.

The CHAIRMAN. Did you ever see an advertisement in the Mexico papers or magazines along that line? [Handing a slip of paper to the witness.]

Mr. GARDNER. No; I did not.

The CHAIRMAN. That is an advertisement of the Jack Johnson Land Co. You did not see that?

Mr. GARDNER. No, sir.

The CHAIRMAN. I will have this placed in the record at any rate. [Reading:]

COLORED PEOPLE: You who are lynched, tortured, mobbed, persecuted, and discriminated against in the boasted "land of Liberty," the United States. Own a home in Mexico where one man is as good as another and it is not your color that counts, but simply you. Write for particulars.

JACK JOHNSON LAND CO.,
Mexico City, D. F., Mexico.
No. 59 Donceles Street.

The CHAIRMAN. This is taken from Gale's Magazine, published as an advertisement in Gale's Magazine, in the city of Mexico, recently.

Mr. GARDNER. That has come out recently.

The CHAIRMAN. Yes; that is, since you left there.

Mr. GARDNER. Yes, sir.

The CHAIRMAN. You say you have met Mr. Johnson?

Mr. GARDNER. Yes, sir; I have seen him in the automobiles going around there, and I have seen him in the restaurants.

The CHAIRMAN. Any particular instance occur there that called your attention to Mr. Johnson at any time?

Mr. GARDNER. Yes, sir; there was.

The CHAIRMAN. Where was it?

Mr. GARDNER. In Sanborn's there; Sanborn's restaurant; Sanborn's café.

The CHAIRMAN. What was it, Mr. Gardner?

Mr. GARDNER. Well, he came in one afternoon—the Sanborn brothers are wholesale and retail druggists.

The CHAIRMAN. Who are they, Americans?

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Mr. GARDNER. Yes, sir; but they have attached to their drug store a restaurant business. There was a lady in charge of it, and Jack Johnson came in there one afternoon and sat down in the middle of the room and she refused to wait on him.

The CHAIRMAN. Who was she?

Mr. GARDNER. She was a Mrs. Thinguin, a Swedish name.

The CHAIRMAN. Was she an American?

Mr. GARDNER. An American.

The CHAIRMAN. And she refused to wait on him?

Mr. GARDNER. Yes, sir; she refused to wait on him, and simply politely told him he would have to go somewheres else, and he informed her that he would come back later and raise a rough-house. I was working in the office upstairs, in the general offices, and the word went around the office that Jack Johnson was coming back in the afternoon to raise a rough-house, so we watched for him. About dark he came in with four or five Carrancista officers, all drunk, and sat down in the middle of the dining room and hammered on the table and ordered everything that was there, and, of course, other customers were there, the dining room crowded by this time, and everybody was interested; they were pushing and shoving around and made a great disturbance, and after they got what they wanted to eat they sent for Mr. Walter Sanborn, who was in charge, one of the brothers; there was two brothers.

The CHAIRMAN. One of the owners?

Mr. GARDNER. Yes, sir. And he naturally would not come in, and they sent out two or three of those officers and they found him and made him come in and they made him shake hands with Jack Johnson and apologize to him the best they could, and embrace him, and shook sombreros over his head, and they were all armed and drunk, and then Mr. Johnson brung in his white lady and seated her and one or two others at the table, and they had a flash-light picture taken to prove that they were there. I stood by the door and watched the whole of it, and they got away with at least $1,000 worth of food and never paid for it.

The CHAIRMAN. You say "they"—who?

Mr. GARDNER. Well, the crowd. Jack Johnson, I think, offered to pay for what he got, you know, so they could not say that he alone did this. He was pretty cute. Not only that; they had a little street which is one and a half blocks from there lined full of soldiers ready to come in if anything was started.

The CHAIRMAN. Well, something was started, wasn't it?

Mr. GARDNER. Yes, but there was no shot fired, you know. I do not remember the exact date, but that was about the 1st of July.

Mr. JACKSON. What year?

Mr. GARDNER. 1919.

The CHAIRMAN. That was this incident which you have just related?

Mr. GARDNER. Yes, sir, because I left there on the 10th—left Sanborn and went to the American Club and it was just before I went over there.

The CHAIRMAN. While you were on the Cuernavaca division operating trains did you come in contact with the Mexican soldiers of either faction, Zapatistas or others?

Mr. GARDNER. Every day; I knew all of them.

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The CHAIRMAN. Did you have any reason to know what their methods were in the treatment of girls or women?

Mr. GARDNER. Well, they didn't treat them; they just took them wherever they got their hands on them; that was all.

The CHAIRMAN. Did you ever witness any incident of that kind yourself?

Mr. GARDNER. I remember one very beautiful girl standing on one of the platforms between the coaches with a ticket in her hand, and one of them rode up and grabbed her by the wrist and took her off with him.

The CHAIRMAN. Where did he take her?

Mr. GARDNER. He took her off down through the yard and out into the brush.

The CHAIRMAN. Any other witnesses besides yourself?

Mr. GARDNER. There were two or three Zapatistas around there.

The CHAIRMAN. This was a Mexican girl, was it?

Mr. GARDNER. Oh, yes.

The CHAIRMAN. What did the audience do or say, if anything?

Mr. GARDNER. Oh, they just laughed and hollered, they thought it was a good joke.

The CHAIRMAN. What are the general conditions in Mexico with reference to law and order or violence and disorder, do you know?

Mr. GARDNER. Well, there doesn't seem to be any law and order; they all do absolutely just as they please. Every general and every fellow that has any authority at all does just as he likes in the community that he is in. There is no head to anything.

The CHAIRMAN. Those conditions yet exist there?

Mr. GARDNER. Yes, sir; and they are growing worse every day.

The CHAIRMAN. The present so-called Government of Mexico is not then able to maintain order, according to your judgment; or does not desire to; or is not able to?

Mr. GARDNER. It seems to me that there is no government.

The CHAIRMAN. At the time that the railroad—American railroad conductors came out in April—April 17, 1912—were there any other railroad men there in Mexico?

Mr. GARDNER. There were a few officials left.

The CHAIRMAN. Well, I mean before that had there been—were there American locomotive engineers?

Mr. GARDNER. Yes; they all left at the same time.

The CHAIRMAN. All American railroad men employed by or on the national roads left at the same time?

Mr. GARDNER. Yes, sir; except a few division superintendents and officials; they stayed.

The CHAIRMAN. Was there any report made by your members to the organizations in the United States?

Mr. GARDNER. Oh, yes, yes; they have all the data.

The CHAIRMAN. You made official reports?

Mr. GARDNER. Yes, sir.

The CHAIRMAN. At that time?

Mr. GARDNER. Yes, sir.

The CHAIRMAN. Published in your official journals?

Mr. GARDNER. Yes, sir; you could get that at Cedar Rapids; or Tommy Echols, he could furnish it, he was our chairman.

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The CHAIRMAN. Yes, sir. Personally I have had letters from Mr. Echols in my possession for 12 years, reports from him, a private report to myself from him aside from the official report which was made.

Mr. GARDNER. He is now in El Paso, I think his address is 1000 Newman Street. I have not heard from him for some time.

The CHAIRMAN. Well, we would be glad to look Mr. Echols up when we go to El Paso and have his evidence. Well, I thank you very much in the name of the committee, Mr. Gardner, for your testimony; it is very interesting.

At the desire of several witnesses, the committee will be now compelled to have an executive session, but we have subpœnas out for at least two witnesses whom we hope to have here in a very short time, and the session will be opened again if we secure their attendance; so I will have to ask you gentlemen to let us have the hall a little while now. I will say, at least for the benefit of the newspaper men, that executive sessions are held simply where the witnesses request it. The committee has no desire to hold executive sessions, but simply conforms to the witnesses' wishes where there is apparently some good reason.

(Thereupon the newspaper men and the audience retired from the hall and the committee continued its hearings in executive session.)

TESTIMONY OF MR. N. S. MORRISON.

(The witness was duly sworn by Dan M. Jackson, Esq., clerk of the subcommittee, duly authorized thereto.)

The CHAIRMAN. Where do you reside, Mr. Morrison?

Mr. MORRISON. San Antonio.

The CHAIRMAN. What is your occupation?

Mr. MORRISON. Newspaper reporter.

The CHAIRMAN. For a local paper?

Mr. MORRISON. Yes, sir.

The CHAIRMAN. In San Antonio?

Mr. MORRISON. Yes, sir.

The CHAIRMAN. You have been in attendance on these hearings since the committee came here?

Mr. MORRISON. Yes, sir.

The CHAIRMAN. The information has come to the committee that there has been some newspaper story, or some story publicity for which has been sought, if not reflecting upon, at least tending to show some private or personal interests of one of the members of this committee in the matters under investigation. Do you know anything about it?

Mr. MORRISON. Yes, sir. I think that I sent that story out, probably on the International News wire. It was not though—when the story was sent out though it was not intended to reflect on any member of the committee. It was sent out more with the intention of showing how these hearings were bringing a retaliation from Mexico. The story was to the effect, as I remember it, that secret agents of the Mexican Government were investigating Senator Fall's record in an attempt to prove that he had, at any rate, personal interests in Mexico, and that they would attempt to prove that he had at one time been an attorney for Terrazas.

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The CHAIRMAN. Did they mention what Terrazas—Gen. Luis Terrazas, of Chihuahua?

Mr. MORRISON. No; I will tell you. I do not know much about the Terrazas excepting this was the man that was supposed to have been the owner of the Terrazas ranch.

The CHAIRMAN. That was Gen. Luis Terrazas?

Mr. MORRISON. Well, I don't know.

The CHAIRMAN. You sent the story out?

Mr. MORRISON. Yes, sir; I sent the story out.

The CHAIRMAN. From whom did you obtain it?

Mr. MORRISON. I obtained it from Miss Smith, a reporter on the Evening News.

The CHAIRMAN. That is all you know about it?

Mr. MORRISON. Yes, sir. She told me the source and I supposed it was reliable. I asked her, as I remember now, if it was reliable, and she said it was.

The CHAIRMAN. She gave you the name of her informant?

Mr. MORRISON. Yes, sir.

The CHAIRMAN. What was that name?

Mr. MORRISON. That was a Mr. Hall; I can not pronounce his first name, or I do not know how it is spelled. I understand he is the head of the Mexican bureau of the chamber of commerce here.

The CHAIRMAN. Of this city?

Mr. MORRISON. Yes, sir. Now that story was put on the wire, and later a notice was sent out from New York to kill the story.

The CHAIRMAN. I thank you very much.

Mr. MORRISON. Yes, sir.

The CHAIRMAN. This young lady whom you referred to as Miss Smith—Miss Genevieve Smith?

Mr. MORRISON. Yes, sir.

The CHAIRMAN. Has she been in attendance on the committee?

Mr. MORRISON. No, sir. Well, I believe she has been in the audience, but she has not been covering it.

TESTIMONY OF GUILLERMO FRANKLIN HALL.

(The witness was duly sworn by Dan M. Jackson, Esq., clerk of the subcommittee, duly authorized thereto.)

The CHAIRMAN. What is your name?

Mr. HALL. Guillermo Franklin Hall.

The CHAIRMAN. Where do you reside, Mr. Hall?

Mr. HALL. San Antonio.

The CHAIRMAN. What is your business?

Mr. HALL. I am director of the Mexican trade bureau of the chamber of commerce of this city.

The CHAIRMAN. Of San Antonio?

Mr. HALL. Yes, sir.

The CHAIRMAN. Mr. Hall, information has been imparted to the committee and one of the witness was called and made a statement with reference to a newspaper story concerning in some way the supposed connection of one of the members of this committee with some interests in Mexico, rather possibly indicating that the member of the committee was by virtue of such former interests not im-

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partial or not conducting an impartial hearing. Do you know anything about it?

Mr. HALL. I do not know anything of the facts in the case. I did not know there was such a thing in the newspapers.

The CHAIRMAN. Have you heard anything of such a report?

Mr. HALL. Not based on any knowledge, I heard it said that——

The CHAIRMAN. Be perfectly frank; we just want to clear the whole matter up, that is all.

Mr. HALL. Yes. I heard it said that there was a possibility, or probability perhaps, that some of the committee might have some relations in Mexico.

The CHAIRMAN. Referring to myself?

Mr. HALL. Yes, sir.

The CHAIRMAN. The chairman of the committee?

Mr. HALL. Yes, sir.

The CHAIRMAN. Did you impart that information to anyone?

Mr. HALL. I asked if the chairman of this committee—I asked different people different times, if the chairman of this committee had property interests or any of the members of the committee had property interests—that was what I was asking for, particularly—in Mexico.

The CHAIRMAN. You say you have asked if they had?

Mr. HALL. I have asked if they had.

The CHAIRMAN. What information did you obtain from them upon that subject?

Mr. HALL. I have not obtained any information that they did have any property interests in Mexico.

The CHAIRMAN. Well, now, in this particular matter did you impart such information as you had received or that you said you had received to anyone else?

Mr. HALL. I said that I had no positive information of the fact, but that I believed it was entirely possible that some of the members of this committee might have had in the past and perhaps still some relations with big business in Mexico or some relations with reference to property interests there, but I did not know. I had no facts in the case; I stated that thoroughly.

The CHAIRMAN. To whom did you make this statement?

Mr. HALL. I do not remember.

The CHAIRMAN. Did you have a conversation with Miss Smith, of this city?

Mr. HALL. Yes. I have had several conversations with Miss Smith.

The CHAIRMAN. Upon that subject?

Mr. HALL. She is a reporter, I believe, upon one of the papers; yes, sir.

The CHAIRMAN. Newspaper?

Mr. HALL. Yes, sir.

The CHAIRMAN. You had a conversation with her upon this subject?

Mr. HALL. Yes, sir.

The CHAIRMAN. Do you know what, if anything—what use she made of the information which you gave her or the statement which you made to her?

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Mr. HALL. I do not remember her having said anything of the thing.

The CHAIRMAN. You do not know what she did or attempted to do with that information which she thought she had or acting upon any conversation which she might have had with you with reference to this matter?

Mr. HALL. No; because I did not see in the paper anything that she wrote with reference to it, and I do not know of any particular conversation with her. These reporters are in my office every day. Anything that happens they come to see me and ask my opinion about things, and frequently give it. I told them that I did not know anything about the facts back of this thing.

The CHAIRMAN. Well, what was the source of your information which caused you to investigate or ask questions or attempt to impart information to others upon the subject? From whom did you obtain any information?

Mr. HALL. I did not—if you will pardon my calling in question the form of your question.

The CHAIRMAN. Well, I may have incorrectly framed the question.

Mr. HALL. I did not attempt to impart any information to anybody on the subject.

The CHAIRMAN. Well you testified——

Mr. HALL. But I had heard that the chairman of this committee was formerly connected in some way with the Terrazas interests in Chihuahua.

The CHAIRMAN. Where did you hear that?

Mr. HALL. Oh, that was—that would be hard for me to tell. It is a part of so many things that I had heard with reference to Mexico and things in Mexico that it would be impossible to segregate it.

The CHAIRMAN. It must have made some impression upon your mind, because you sought information along that line, and then you repeated to others something that you had heard along that line.

Mr. HALL. Well; I had in mind times back in Diaz's administration, when Enrique Creel, he was part of the group that ran things in Mexico, and I remembered something of the Terrazas interests during the time I lived in El Paso.

The CHAIRMAN. You have reference to Gen. Luis Terrazas of Chihuahua?

Mr. HALL. Yes, sir.

The CHAIRMAN. The father-in-law of Mr. Creel?

Mr. HALL. Yes, sir. And I had reference to some things that probably have come from my residence of longer and shorter intervals at El Paso at different times.

The CHAIRMAN. You knew that Gen. Terrazas had lived for a time in a residence in El Paso known as my house?

Mr. HALL. I did not know that detail.

The CHAIRMAN. You did not?

Mr. HALL. No, sir.

The CHAIRMAN. Well, it is a fact. I supposed that from your stating that you had resided in El Paso that possibly you were familiar with it.

Mr. HALL. Not for any length of time at any one time.

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The CHAIRMAN. Well, what did you learn or what excited your interest in my activities, or supposed activities in Mexico, what did you learn during your residence in El Paso with reference to it?

Mr. HALL. I did not learn, as I tell you again, I had no information, and I have stated to nobody that I had information. I stated simply that in line with a good deal of things that are coming up at the present time, we have to keep our heads on them carefully and see if there is any possibility of animus on anybody's part on both sides of the line.

The CHAIRMAN. And from your information you had some impression that there might be some animus in the mind of the chairman of this committee?

Mr. HALL. I did.

The CHAIRMAN. Now, what information was it lead up to that?

Mr. HALL. Not from any information. Well, coming back to that again, I have stated frankly now, as I stated then, I have never had any information, I never stated I had any information, but in trying to account for a lot of things and a lot of propaganda—pardon me the word, not with reference to yourselves, sir, but with reference to the press of this country against our neighbors, I expected also that it might very likely be true that some of the things that were ascribed to the chairman of this committee ought not to be ascribed to him, and not inferred on the part of certain newspapers who published certain things and gave them certain coloring, it might be possible that things were exaggerated, but that—

The CHAIRMAN. To whom did you make that statement that things might be exaggerated which had been circulated or repeated with reference to myself, or any animus of the chairman?

Mr. HALL. I do not remember, sir. I have had so many conversations on that subject here, you can readily understand that there is not a day passes that somebody does not catch me on the street or come to my office and ask me for things.

The CHAIRMAN. Do you know any of the Mexican secret service men in this country?

Mr. HALL. No, sir; not a one.

The CHAIRMAN. Do you know the Mexican consul here?

Mr. HALL. Yes, sir.

The CHAIRMAN. Did you state to Miss Smith that the Mexican secret service men were investigating the chairman of this committee?

Mr. HALL. No, sir

The CHAIRMAN. You did not make any such statment to her?

Mr. HALL. No, sir.

The CHAIRMAN. Made no such statement?

Mr. HALL. Absolutely not.

The CHAIRMAN. You are an American citizen, of course?

Mr. HALL. Yes, sir.

The CHAIRMAN. Where were you born?

Mr. HALL. Grand Rapids, Mich.

The CHAIRMAN. I notice that—the reason I asked the question—I supposed you were an American citizen, but I notice that you spell your name Guillermo, which is the Mexican for William?

Mr. HALL. Yes, sir; but that happens because I spent my early boyhood in Spain.

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The CHAIRMAN. And you were connected with the Mexican trade committee of the Chamber of Commerce?

Mr. HALL. Yes, sir; I am the director of the Mexican trade bureau for the Chamber of Commerce.

The CHAIRMAN. Are you connected in any publicity work along that line?

Mr. HALL. Certainly; we are trying to further our business interests with Mexico.

The CHAIRMAN. That is the purpose of the Mexican trade committee?

Mr. HALL. Yes, sir; that is the purpose of the Mexican Trade Bureau.

The CHAIRMAN. It was to further American trade relations with Mexico?

Mr. HALL. Yes, sir.

The CHAIRMAN. That is the business which you are engaged in?

Mr. HALL. Yes, sir.

The CHAIRMAN. Are you receiving remuneration for your services?

Mr. HALL. Yes, sir.

The CHAIRMAN. Then, as I understand you, whatever you may have said with reference to the possible bias or prejudice of any member of the committee, particularly the chairman of the committee, it has been merely in a casual conversation?

Mr. HALL. Absolutely.

The CHAIRMAN. Based simply upon rumor and conversation?

Mr. HALL. Absolutely. No foundation further than that. I am perfectly willing to go on record as saying that I have at no time had any positive information on that subject and I have no animus against the chairman of this committee or any member of it. The only purpose that I have had at any time has been a sincere desire to do my—to use my influence as far as possible to get my fellow citizens to think straight on international lines.

The CHAIRMAN. You are aware of the fact, which is public history, that this committee is proceeding under instructions from the Senate of the United States, and that this subcommittee conducting these hearings is composed of three members of the Foreign Relations Committee of the United States Senate?

Mr. HALL. Yes, sir.

The CHAIRMAN. You have knowledge of that fact?

Mr. HALL. Yes, sir.

The CHAIRMAN. And you have, also at least read in the press, if you have not gleaned from the Congressional Record, that the committee was appointed by a resolution offered by Senator King, of Utah?

Mr. HALL. That was a detail that I did not know, or, if I did, I had forgotten it.

The CHAIRMAN. You had your attention called to the fact, through reading the Congressional Record or otherwise, that the resolution—that portion of the resolution directing the committee to report to the Senate its recommendations as to what, if anything, the United States Congress should do with reference to Mexican matters, was adopted in the open Senate, by unanimous vote, upon a motion offered

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by Senator Ashurst, of Arizona, a colleague of Senator Smith, who is a member of this committee.

Mr. HALL. Of that detail I did not know.

The CHAIRMAN. It is a matter of record.

Mr. HALL. I do not read the Congressional Record—I am too busy.

The CHAIRMAN. You read the papers, however?

Mr. HALL. Naturally; yes, sir. I knew that this committee was—to put it into definite shape—that this committee was named by the United States Senate to take testimony and investigate Mexican affairs.

The CHAIRMAN. Are you familiar with the precedure in the Senate and Congress of the United States with reference to resolutions authorizing or directing committees to make investigations in behalf of Congress?

Mr. HALL. No, sir.

The CHAIRMAN. You have not had your attention called to the fact, either through the newspapers or otherwise, that this resolution was reported out of the Senate committee, after being referred to it by the Senate, by a unanimous vote of all the membership of that committee, and was unanimously adopted by the Senate of the United States, with the amendment offered by Senator Ashurst, also unanimously adopted, broadening the scope very materially of the inquiry, and demanding that the committee themselves should make a report with recommendations with reference to what the United States should do?

Mr. HALL. I did not know of it being unanimous, or about the amendment, but I knew that they were empowered to make such investigation.

The CHAIRMAN. And directed to make such recommendations?

Mr. HALL. Yes, sir.

The CHAIRMAN. You know the politics of Senator Ashurst, of Arizona?

Mr. HALL. Not a bit.

The CHAIRMAN. Do you know the politics of Senator King, of Utah?

Mr. HALL. No, sir.

The CHAIRMAN. Do you know the politics of Senator Smith of Arizona?

Mr. HALL. No, sir.

The CHAIRMAN. Do you know my politics?

Mr. HALL. No, sir. Oh, yes; I have heard that you were a Republican.

The CHAIRMAN. Correct, sir. Have you had your attention called to official statements in the nature of a report by this committee and published statements made officially that this committe is cooperating with the State Department of the United States?

Mr. HALL. I have seen that statement made; yes, sir.

The CHAIRMAN. Do you know the politics of the head of the State Department of the United States?

Mr. HALL. I have not been able to make that out.

The CHAIRMAN. Do you know that instructions have been issued by the Treasury Department of the United States to the agents of

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the Treasury Department along the border to cooperate in every way, even to the extent of submitting all their books and records to this committee?

Mr. HALL. I did not know that.

The CHAIRMAN. Did you know that officials of the Department of Justice, engaged in work along the border, who have been representing this Government for many years, have been furloughed and assigned for service to this committee?

Mr. HALL. I did not know that until your arrival here.

The CHAIRMAN. Has your attention been called to the fact that the War Department of the United States has assigned for service to this committee one of its intelligence officers, who is in company with this committee wherever they go, assisting them?

Mr. HALL. I did not know that.

The CHAIRMAN. I will introduce you to Capt. Hyde, who sits at the end of the table there, Mr. Hall, who was assigned to us by the War Department. Do you know Capt. Hanson?

Mr. HALL. I have not had that pleasure. I saw him at the banquet last night and had him pointed out to me.

The CHAIRMAN. Do you know he is a captain of the Texas Rangers?

Mr. HALL. I knew through the newspapers or I read in the newspapers that he had been assigned to the service of this committee by the governor of this State.

The CHAIRMAN. By the governor of this State?

Mr. HALL. Yes, sir.

The CHAIRMAN. Then you at least have some information which would—unless contradicted—which would tend to satisfy you that the committee is cooperating with the State of Texas and also with the national administration at Washington?

Mr. HALL. Absolutely.

The CHAIRMAN. Mr. Hall, where did you live in Mexico?

Mr. HALL. I lived in Guadalajara, Mexico.

The CHAIRMAN. Did you live in the northern part of the Republic at any time?

Mr. HALL. No.

The CHAIRMAN. So you are not personally familiar with any activities which I might have been engaged in in Chihuahua or Sonora or the northern States?

Mr. HALL. No, sir.

The CHAIRMAN. Were you in Mexico in 1883?

Mr. HALL. No, sir.

The CHAIRMAN. Then you would not be familiar with any activities of mine in that year in the State of Zacatecas, in the event I was engaged in such activities?

Mr. HALL. No, sir.

The CHAIRMAN. I think that is all, Mr. Hall. Very much obliged to you, sir, in assisting us to clear up the matter.

(Thereupon, at 1.05 o'clock p. m., the committee recessed until 2 o'clock of the same day.)

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AFTER RECESS.

TESTIMONY OF MISS GENEVIEVE SMITH.

(The witness was sworn by Dan M. Jackson, Esq., clerk of the subcommittee, duly authorized.)

The CHAIRMAN. Miss Smith, where do you live?

Miss SMITH. In San Antonio.

The CHAIRMAN. What is your occupation?

Miss SMITH. Newspaper reporter.

The CHAIRMAN. Do you know Mr. Guillermo Hall

Miss SMITH. I do.

The CHAIRMAN. Have you had any conversation with him within the last few days with reference to any member of this committee?

Miss SMITH. Yes; about a week or 10 days ago; I don't remember the date exactly.

The CHAIRMAN. Were you interested in the conversation as a reporter?

Miss SMITH. Yes; certainly.

The CHAIRMAN. Just let us have the general purport of that conversation, if you please.

Miss SMITH. As you probably know, I go to the chamber of commerce, where Mr. Hall's office is. I see him daily. Frequently he gives me tips, as we call it in our profession; that is, hints as to where I can get a story. One day, in speaking of the coming hearing, he mentioned the facts that he had been told that Mexico was making an investigation of your—of Senator Fall. He said further that he had been told that he had been connected with the Terrazas interests in Mexico, and I think the conversation stopped there and I went away thinking about it. Oh, yes; he gave me the names of several people in this city who are Mexicans, because his work keeps him closely in touch with the Mexicans; he gave me the names of several people, and later I went to the library and read the story of the Terrazas family, and then I came back with the Literary Digest of the date of November 8, which carries this story, and I asked Mr. Hall if that was the family he referred to and he said yes, and we had a little conversation about it there; I think about the same information as given——

The CHAIRMAN. Did you take the information which you obtained in this way to any one else here?

Miss SMITH. I discussed it with Mr. Morrison, on the paper; he was covering this hearing. I told him because he was covering the hearing.

The CHAIRMAN. Mr. Morrison prepared the newspaper story on it?

Miss SMITH. A very short one.

The CHAIRMAN. Whom did Mr. Hall tell you to interview here with reference to this?

Miss SMITH. Well, he said the Mexican consul, Consul Gonzales de la Mata, would probably know more about it, and he gave me the name of Mr. Gonzales—Mr. Roque Gonzales—a former citizen of Mexico, who is now in San Antonio, and one or two other names I don't remember. There was one who is an agent, I think, for Villa; he said he would be unfriendly to the Carranza interests and he might have something about it.

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The CHAIRMAN. Something about my connection?

Miss SMITH. About the investigation of Mexico. Then I said—I asked him if he knew whether the vice consul was from Chihuahua, the State in which this Terrazas family resided, and he didn't know; but I was under the impression the vice consul was from Chihuahua. I believe he also said Mr. Beltran, ex-consul in San Antonio, might know something about it. Later I talked to the consul and vice consul about it.

The CHAIRMAN. Did you get any information from them?

Miss SMITH. The vice consul said, when I asked him, it was possible—when I asked him that Mexico was making an investigation he said, "Possibly." I said, "Do you think that Mexico would likely launch a counterpropaganda?" and the cousnl said, "Possibly." I asked him if he knew anything about it and he said, "We are not in touch with Mexican politics," and he shrugged his shoulders.

The CHAIRMAN. Mr. Hall told you that the Mexicans were investigating; did he say who—whether Secret Service men or agents?

Miss SMITH. He said agents of Mexico.

The CHAIRMAN. Agents?

Miss SMITH. That is the impression I got. Whether he said Secret Service agents I couldn't positively swear, but that was the impression I got.

The CHAIRMAN. He was giving you a tip?

Miss SMITH. A tip.

The CHAIRMAN. Did you ask him for it, or how did he happen to give it to you?

Miss SMITH. I have known Mr. Hall ever since he has been in the chamber of commerce and he frequently gives me tips. He frequently gives me tips, because I go over there daily and follow them up; sometimes he gives me very good stories.

The CHAIRMAN. Have you had any conversation with Mr. Hall as to what would be his course in the event there was any trouble between this country and Mexico?

Miss SMITH. No; I have not.

The CHAIRMAN. He has not told you what would likely be his course in the event there was any trouble between this country and Mexico?

Miss SMITH. No; he has not told me what his course would be.

The CHAIRMAN. Do you know Mr. Hall's wife?

Miss SMITH. I do not; I know him only in a business way.

The CHAIRMAN. Were you present at any time when Mr. Hall made any public speech with reference to Mexico?

Miss SMITH. I heard him make one public speech at the Rotary Club, and I have heard him express himself privately sometimes.

The CHAIRMAN. I won't ask you how he expressed himself privately.

Miss SMITH. It has been the same, Senator Fall, as it has been in public.

The CHAIRMAN. Do you know any occasion upon which Mr. Hall, in the interests of the chamber of commerce, sought to go to Mexico?

Miss SMITH. In the interests of the chamber of commerce?

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The CHAIRMAN. Or otherwise in trade relations?

Miss SMITH. He went once last year as official interpreter for the Mexican trade trip, and he has planned to go this year for a similar trade trip.

The CHAIRMAN. Do you know anything about his passport arrangements?

Miss SMITH. I do not.

The CHAIRMAN. You know the Mexican consul here, and the Mexican vice consul?

Miss SMITH. Yes; I go there almost daily, too. I frequently have applied to Mr. Hall for information because he is a linguist, and h was very well acquainted with the Mexican consul, because their business interests are similar, and he has frequently helped me in stories.

The CHAIRMAN. Have you ever been referred by the Mexican consul to Mr. Hall for verification of a story?

Miss SMITH. I think on minor things once or twice. I remember one time the Mexican consul was about to give me a message that had come from the Mexican Government, a message of greeting; I think it was in anticipation of the proposed trade trip. I believe he referred me to Mr. Hall because he had sent it to him—in little minor affairs like that.

The CHAIRMAN. On any trip which you have made, or any visit that you have made to the Mexican consul, or any interview with the Mexican consul, have you secured any documentary—any documents from the consulate, of any kind or character?

Miss SMITH. Frequently I get written interpretations of official messages; I mean, press messages, from the Mexican Embassy in Washington.

The CHAIRMAN. I call your attention specifically to one pamphlet; have you ever seen the pamphlet "The Conspiracy Against Mexico"?

Miss SMITH. I have seen a pamphlet called "Intervention in Mexico," by Arthur Thomson. I believe "Intervention in Mexico" is the title.

The CHAIRMAN. Isn't it "The Conspiracy Against Mexico"; are you positive?

Miss SMITH. "Intervention in Mexico."

The CHAIRMAN. We have a copy of it here.

Miss SMITH. I know the cover very well; it is that of a clawlike hand extending over the book.

The CHAIRMAN. Yes; extending over the picture of Mexico.

Miss SMITH. And I know the author is Arthur Thomson.

The CHAIRMAN. Arthur Thomson. Where did you see that?

Miss SMITH. I saw it first in Mr. Hall's office.

The CHAIRMAN. In Mr. Hall's office?

Miss SMITH. He handed me a copy of it, saying it was Bolsheviki literature.

The CHAIRMAN. Did he tell you where he had obtained it?

Miss SMITH. Yes; he said he had obtained it from the consul, De la Mata; he had given it to him to read over and to pass his opinion upon.

The CHAIRMAN. Did you have any conversation with the consul about it?

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Miss SMITH. I had a conversation with the vice consul because the consul was absent.

The CHAIRMAN. What did you learn from him, if anything, with reference to this pamphlet?

Miss SMITH. Before I had the conversation with the vice consul I knew the story; virtually, I learned it from Mr. Hall, and the vice consul corroborated the story—do you want me to tell that?

The CHAIRMAN. Yes.

Miss SMITH. He said several copies of this, a package, had been received at the consulate from an unknown address. That interested me because I thought that sounded rather unusual for books to be coming from an unknown address, and I asked him how they came, and he said by express. I didn't say anything further about that. He said these books had come by express from an unknown address and that the consul had given one to Mr. Hall to read over, because the consul does not read English, they were printed in English, and so Mr. Hall read it over and told him, the consul, that it was Bolsheviki literature, to have nothing to do with it. Vice consul Marshall told me that he understood he had followed his advice and hadn't distributed any of the literature. I asked him for a book, because we had gotten in a telegraph story, and he didn't give it to me because he said he didn't have any authority, since the matter was in the consul's hands.

The CHAIRMAN. You didn't yourself trace it up through the express office to ascertain really where it came from?

Miss SMITH. I asked a man who was with the express company if it were possible that package came from an unknown address, and he said it might be possible, but wasn't probable because there was carbon copies of the bills of lading, I believe he said, made of every package sent out, and that the address of the sender was pasted on the wrapping. He said now this might have been torn off, but it is not very probable.

The CHAIRMAN. Will you examine this pamphlet and see whether you can identify it, or whether you have ever seen one like it before? [Handing witness a pamphlet.]

Have you got a copy, Mr. Jackson, of the previous hearings of this committee in which this matter is referred to—have you a copy of the part there?

Mr. JACKSON. I can go through my baggage and see—I have part of this.

The CHAIRMAN. Does that part include the report that was made by this committee to the President of the United States?

Capt. HANSON. Yes, sir; I have that.

The CHAIRMAN. You have that?

Capt. HANSON. Yes, sir; I have it.

The CHAIRMAN. Let me have a copy.

Is that similar to the document which you——

Miss SMITH. The cover is exactly the same; however, I was under the impresion it was called "Intervention in Mexico," the author is the same—I was looking for some of the passages I have discussed, to see if the subject matter is the same.

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The CHAIRMAN. The subject matter is the same. Was your attention called at that time that you read it over to any paragraphs in which occurred the names of Secretary Lane——

Miss SMITH. No.

The CHAIRMAN. Of the Department of the Interior, or the President of the United States, or did you read it carefully?

Miss SMITH. I did not read it carefully, because the copy that was handed to me was lost, and the other time I merely glanced over it with the consul in discussing it. At the time that matter came up, Senator Fall, I paid attention to certain passages that had been pointed out through the press, that you had called attention to.

The CHAIRMAN. In reference to the soviet?

Miss SMITH. Yes, sir.

The CHAIRMAN. A comparison between the constitution of Mexico and the soviet government?

Miss SMITH. I remember that the paragraph said in the subject matter that Mexico, next to Russia, had made the greatest progress in soviet government.

The CHAIRMAN. You recognize the paragraph?

Miss SMITH. Yes; that was one of the paragraphs.

The CHAIRMAN. Was that the document that I was calling your attention to, which attracted your attention, you verified?

Miss SMITH. That's what I wanted to do—was to verify it. I had your paragraphs, and I tried to verify it afterwards.

The CHAIRMAN. Your attention at that time wasn't called to the statement that occurs on page 24, of this paragraph—

Meanwhile, Franklin K. Lane and his associates on the American-Mexican Joint Commission were attempting to browbeat the Mexicans into yielding the guarantees demanded by the Rockefellers, the Guggenheims, the Dodges, and the Dohenys. Although in explaining the expedition the President had declared that the troops would not be used in the interest of "American owners of Mexican properties" "so long as sane and honorable men are in control of the Government;" and the public statement of Lane, issued at the end of November (1916), after a long interview with the President, was nothing more nor less than an acknowledgment that the troops were being held in Mexico for that purpose and for no other, and a threat that they would remain there until an agreement was reached regarding such little matters as oil and mining taxes.

Miss SMITH. No; it was not.

The CHAIRMAN. You didn't have your attention directed by Mr. Hall or any one else to the paragraph on page 23: "The present administration's actions are well known. One day President Wilson is for a thing and the next he changes;" then quotes from his Indianapolis speech, and then from his note to Carranza of June 2, 1915. You didn't have your attention called to that?

Miss SMITH. I think that was one of the paragraphs that you had called attention to in the press.

The CHAIRMAN. In that way, at least, you identify this document as identical to the one which was handed you by Mr. Hall, and which he told the Mexican consul was bolsheviki literature? Did you, in noticing the statement that you say attracted your attention, as coming from myself as chairman of the committee with reference to this article, did you notice any statement as to how it was being disseminated?

Miss SMITH. Yes.

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The CHAIRMAN. You learned it from the statement which the press published from myself; you learned it was being disseminated through the Mexican consuls and Mexican ambassador at Washington, and that this committee had received from the Mexican ambassador at Washington?

Miss SMITH. Yes.

The CHAIRMAN. Did you at that time have your attention called to the author of this document by Capt. Hanson, investigator for this committee?

The CHAIRMAN. No; I read the story. The matter rested for several days until Mr. Hall asked me for a copy of my story.

The CHAIRMAN. Mr. Hall asked you for a copy of your story?

Miss SMITH. Yes.

The CHAIRMAN. What became of that story?

Miss SMITH. That copy that I gave him?

The CHAIRMAN. Yes.

Miss SMITH. I don't know.

The CHAIRMAN. The original—what did you do with that story?

Miss SMITH. We killed that copy; it was destroyed, I suppose, but it came out in the story virtually as I wrote it.

The CHAIRMAN. I find it in the report that has not been printed, a copy of the letter of the author, but I was under the impression that there had been, and consequently you would have noticed it possibly. I may say, for the information of the public, that the author wrote that he had disposed of 5,000 copies of it to the Mexican consul at San Francisco for distribution, and if they could secure more money from the Government he would furnish additional copies of the document, which Mr. Hall pronounces Bolsheviki literature.

I thank you for your information.

Miss SMITH. You are quite welcome.

The CHAIRMAN. You may place this telegram in the record, and also the answer:

MEXICO, D. F., *January 16, 1920.*

Senator ALBERT B. FALL,
San Antonio, Tex.:

I acknowledge receipt of your telegram of yesterday, and am very sorry that you have not taken my telegram in the sense and spirit in which it was sent; that is to say, a really sincere and candid invitation that you would visit and see our country. Your telegram declining my invitation is nevertheless the most illuminating document that could have been written, since it gives us the opportunity of knowing the purpose of the investigation that you are carrying on. The fact is that the Government of Mexico could not invite you to come and have conferences with the rebels, but we invited you to travel and see the country; and I can assure you that there is not a railway line here you could not go in a special car under the protection of our troops, if you consider essential, to know what the opinion is of such and such a group of rebels; and if you think that the best way of ascertaining the real conditions of our country is to listen to reports instead of really and actually seeing the way the nation is living and working, I do not think I can be useful to you.

I do not think that, being as you are a man of very independent criterion, that you would not be able to see the truth even though you were our guest. I am very sorry that I can not accept your invitation to go to San Antonio, and, in fact, I do not see any purpose to my trip, since my opinion has been perfectly consistent on the point that the investigation that the Senate is carrying on is contrary to the international principles and to the respect due to the sovereignty of my country. I welcome the opportunity you have given me to change a few words and of knowing the true object of the in-

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vestigation. Hoping to meet you personally some time in the future, I am most cordially, yours,

LUIS CABRERA.

SAN ANTONIO, TEX., *January 17, 1920.*

Hon. LUIS CABRERA,
Mexico City, D. F.

Your telegram of the 16th. I note your opinion has been "perfectly consistent that the investigation that my commitee is carrying on is contrary to international principles and to the respect due to the sovereignty of your country."

I am surprised, in view of this statement, that you should have invited me to carry on this investigation in your country when you declare it contrary to international law that I should conduct it under orders from my own Government in my own country.

In suggesting that I may think that the best way of ascertaining the real conditions of your country is to listen to reports instead of actually seeing the way the nation is living, I may state to you that there are more than 200,000 former citizens of your country now under the protection of the American flag because of actions of yourself and associates, and through whom I think it possible to secure a fairly accurate picture of some, at least, of the conditions existing in Mexico. I may further call your attention to the fact that 40,000 Americans, formerly developing the farming resources of Mexico, building railroads, opening mines, constructing irrigation and power plants and building electric tramways and representing American investments approximating a total of 50 per cent of the entire tax-paying and revenue-producing wealth of Mexico, who have been driven out of your country, are now in the United States, many of them poverty stricken and are now requesting of the representatives of the American Congress a hearing as to the true conditions in Mexico resulting in the unfortunate situation in which these Americans find themselves.

I can see no impropriety, inconsistency, nor violation of national comity or international law in an investigation being carried on among these people as throwing light upon the conditions which now surround them and which may or may not be accentuated in Mexico itself.

You suggest that there is not a railway line in Mexico upon which I could not go in a special car under the protection of your troops. I have been familiar with Mexico since 1883, and until recent years, even prior to the construction of many of your railways, felt no suggestion of peril or danger to whatsoever remote districts my business might carry me in the Republic of Mexico. I regret that conditions now necessitate assurance of protection through armed forces in those traveling even as your guest upon your railways in Mexico.

I reciprocate your expressed wish that at some future time we may again meet personally.

A. B. FALL.

The CHAIRMAN. Mr. Secretary, swear me as a witness.

TESTIMONY OF SENATOR ALBERT B. FALL.

(The witness was duly sworn by Dan M. Jackson, Esq., clerk of the subcommittee, duly authorized.)

Senator FALL. I am going to make a statement for the record and for the public; I am going to break the silence of eight years. From time to time my colleagues and friends have insisted that I should make public a statement as to my interests in Mexico, rumors concerning which have been constantly circulated by Mexican propagandists and those possibly sincere or otherwise, knowing or unwittingly assisting in the circulation of such propaganda.

I went to Mexico in 1883; I went on horseback through eight States of the Republic. I located at Nieves, in the State of Zacatecas,

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about 60 miles from the station of Cañoncitos on the Mexican Central Road. I became interested in mining at Nieves. My associate in some of the mining interests was Don Jesus Peñeri, a member at that time of the Mexican Congress. I was a practical miner, a timber man—I educated certain of my Mexican laborers in timbering mines under the American system of mining; I worked with my hands with them; I had 600 men, Mexicans, the majority of whom I paid 12½ cents a day, Mexican money, and the highest paid labor at that time—picadero[1] received 50 cents a day, Mexican money; they boarded themselves. . I quit Mexico in 1906, and I had for the company's control, under my charge, 8,000 men on my pay roll, the maximum wage paid to either, if my recollection serves me, was $1.50—from that to $5 or $6, and $7 per day, for Mexican labor.

I never had a concession of any kind in my life in Mexico, and knew nothing about concessions, except that in agreeing to erect public smelters or reduction works where ore might be treated for the Republic—for the public as well as for our private enterprises—I had agreements with the Mexican authorities in more than one instance that machinery for such purposes might be introduced into Mexico free of import duty, and in each instance a bond was required of me that I should faithfully perform my portion of the contract, and the prices for which ores were to be reduced or handled were fixed by the Mexican Government—the maximum price. I was interested in Mexico from 1883, in a greater or less degree, until July 12, 1906. In the latter years my interests consisted entirely of stock interests in American companies only, one the Sierra Madre Land & Lumber Co., owning and controlling some 2,217,000 acres principally in the State of Chihuahua; in certain railroad companies being developed in connection with the lumber companies and mines; in certain large mining companies which invested very heavily in Mexico. The nucleus of the mining companies were the mines which myself and an old Texan, my partner, located ourselves—found, discovered in Mexico in two or three different places in the Sierra Madres. I spent a great deal of time, both alone and in company with this partner, camping out, prospecting, and mining throughout the Sierra Madres along the line of Sonora and Chihuahua. I assisted in organizing some large companies and merged my industrial interests with them, took stock for my interest and holdings. I became, of course, well acquainted with the Mexicans in the Republic. I went there during the administration of Gonzales as President. I knew Mr. Diaz personally very well, and am proud to say that I had his friendship and his very material assistance in the various enterprises with which I was connected.

Of course I knew the prominent Mexicans, and I was in camp with and associated with the men who worked for the companies which I had control of, and came in contact with the Mexican worker or peon or laborer, and knew him as very few Mexicans of the higher class ever knew the Mexican lower class, or peon, or pelado. In July, 1906, I several my connection with every company or interest which I had in Mexico except that I retained a personal power of attorney for my partner, who had a great many million dollars invested there, and who was to me much more than a business associate or partner. In 1907 and 1908 this partner became very

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deeply involved in Mexico, largely through indorsements for the companies in which we had been jointly interested. His health was very bad, he was compelled to leave the United States and take a sea voyage to Japan, and all his property was deeply involved, and I arose from a sick bed and went down to take charge of his business, without remuneration, for the purpose of saving something of the business for his family of little children. He died shortly afterwards. In winding up his business affairs I became personally interested in certain mining claims in the district of Jesus Maria de Ocampo in the State of Chihuahua. I disposed of those interests for his account and mine and that of a large number of Mexican creditors, to an American syndicate, and formed what is known as the Sierra Mines Co. (Ltd.). So, disposing of my interests I received $75,000, par value of the stock of the company. I yet have that stock in my possession. That is my only interest in Mexico of any kind or character.

In my operations in Chihuahua I became very well acquainted with Gen. Luis Terrazas, who was the war general of that State, the man who had driven Maximilian out of the State and who had enabled Benito Juarez to make headway against the French when Juarez was a fugitive in El Paso, Tex. I have always been proud of the acquaintance and friendship with Gen. Terrazas. After the battle of Chihuahua, when Mercado was driven from that State, came through Ojinaga and took refuge with his soldiers in this State, I received from Gen. Luis Terrazas, who came out through Ojinaga with Mercado, a telegram asking me to meet him in the city of El Paso. I did so, and would have gone to meet him under any circumstances. He spoke to me of conditions in Mexico and particularly of the incarceration of his son, Luis, Chico, as I know him and had known for 20 years or more, by Villa; that Villa was demanding $500,000 ransom for him, and asked me to assist if possible in securing his release. He had some business disagreements with an American in El Paso touching a cattle contract, and at the same time a suit was brought against him there for a large amount, I think $185,000. He asked me to assist in the settlement of that suit. I did so, paying to the American, I think, $26,000 in full settlement, and taking his receipts in favor of Gen. Terrazas for that amount. I was never the attorney for Gen. Terrazas; I was never interested with him in any business transaction of any kind or character, nor with any member of his family, nor with Governor Creel, who was his son-in-law, nor with any member of his family. I never, as an attorney, represented any American interests in Mexico except those which I had assisted in organizing, and in which I had the stock interests which I have referred to. I never owned a dollar of oil stock in my life. I never represented an oil company in Mexico. I worked for $3.50 a day on the hammer in quartz mining with Ed Doheny. I think very highly of him, and personally I would do anything possible to assist him. I have many friends who have been interested in Mexico, who are in the United States, for whom I have the same feeling. I have very many friends among the Mexicans who are fugitives and are being protected under our flag here, for whom I have the very warmest feeling.

I represent a constituency, the majority of whom, more than 55 per cent, are of the Mexican blood. Any prominence which I may

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have achieved politically I owe to Mexican people. I am their one representative in the Congress of the United States. I have a very great and sincere, deep and abiding affection for the Mexican people in general. Since I have been in the Senate I have had in my office at one time representatives of Huerta, of Carranza, of Villa, and of the old Cientifico element, all consulting me, and I think telling me everything that they knew or thought, and asking advice. I should have said, in speaking of the Cientifico element, representatives of Gen. Felix Diaz himself personally.

As to my ideas as to what should have been done with reference to Mexican affairs, it is not necessary for me to mention them now. Any recommendation hereafter made by this committee as to what shall be done with reference to Mexico, if anything, such recommendation will be made upon the record of this case, in so far as I am concerned. This committee was appointed by the Foreign Relations Committee of the United States Senate, of which I am a member, upon a resolution introduced in the Senate by Senator King, of Utah; he is not a member of the Foreign Relations. It was reported back unanimously from the Foreign Relations Committee, and I was directed to make such verbal report to the Senate. I did so, and the resolution providing for the appointment of the committee was adopted unanimously by the United States Senate, without dissenting voice. I may say that it was understood that in any committee that was appointed that I would be a member of it, because of my long knowledge of Mexico and of the Latin American, my familiarity with the language and the laws. I devoted five years of my time to the civil law of Mexico, and had seven prominent Mexican attorneys on my staff for more than seven years there.

I was appointed without any division of sentiment, political or otherwise, just as I have been appointed by the same authority as the chairman of the committee on Colombian affairs, handling the Colombian treaty and Colombian oil matters, etc., at issue between the United States and Colombia. No question of politics has ever arisen in any of these things. After this committee was appointed I was directed to formulate a resolution providing for its procedure, and giving me authority to use any amount of money whatsoever necessary, not limiting the amount. The two resolutions are the broadest which the Senate has ever adopted in authorization of any investigation. The committee is authorized to go anywhere and has all powers that the Senate of the United States can vest in a committee. Except by propagandists, or those knowingly or unknowingly influenced by certain propagandists, no question has ever been raised of the good faith of this committee. I have had my attention called to an editorial recently appearing in one of the great papers of the State of Texas under date of January 13, and I want to say now that what has occurred here to-day with reference to the newspaper story which was attempted to be sent out, concerning myself—not that, but rather more, this editorial has caused me to make the statement which I have just made, and which is my last word on this subject. It is an astounding thing to me that any great American paper would reflect upon the American people and the American Congress by questioning the motives of a committee appointed as this committee has been appointed.

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It is hard for me to understand it. But my resentment is not because of personal criticism—that I have never replied to until this moment—but it is because such an editorial, and such efforts as have been made from time to time to attack this committee, are, under the circumstances, a reflection upon the Senate of the United States and upon the departments of this Government with which this Government is so cordially cooperating. I have no personal resentment in a matter of this kind. I do not propose to be drawn into any further controversy in this matter, but I make this statement for the benefit of the public.

The CHAIRMAN. The committee will go into executive session now to hear some of these witnesses who desire to testify. No further public hearing to-day.

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INVESTIGATION OF MEXICAN AFFAIRS.

MONDAY, JANUARY 19, 1920.

UNITED STATES SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON FOREIGN RELATIONS.

The subcommittee met pursuant to adjournment at 10.30 o'clock a. m. in the pink room of the Gunter Hotel, San Antonio, Tex.

Present: Senator Smith and Dan M. Jackson, Esq., clerk of the subcommittee.

TESTIMONY OF G. O. DELAMAIN.

(The witness was duly sworn by Dan M. Jackson, Esq., clerk of the subcommittee, duly authorized thereto.)

Senator SMITH. What is your name?

Mr. DELAMAIN. Delamain.

Senator SMITH. Where were you born?

Mr. DELAMAIN. New Zealand, Christs Church.

Senator SMITH. British subject?

Mr. DELAMAIN. Yes, sir.

Senator SMITH. You are a citizen, then, of the British Empire?

Mr. DELAMAIN. Yes, sir.

Senator SMITH. Have you ever had any experiences in Mexico?

Mr. DELAMAIN. Yes, sir.

Senator SMITH. When?

Mr. DELAMAIN. Well, since—I lived in Mexico since 1891.

Senator SMITH. Well, will you please tell us your experiences there, when you went, and what business you were on, and what resulted in your own way—the history of what happened there?

Mr. DELAMAIN. Well, I went into the—I went into the sheep business when I first went to Mexico near Muzquiz, Coahuila, until 1902; after that I was up on the La Babia property of Gen. Geronimo Trevino.

Senator SMITH. A little louder; I can not hear.

Mr. DELAMAIN. On the property of Gen. Geronimo Trevino, on the La Babia; then I was in the cattle business.

Senator SMITH. Where?

Mr. DELAMAIN. In the cattle business?

Senator SMITH. Where?

Mr. DELAMAIN. On the La Babia property.

Senator SMITH. Well, you went into the cattle business there. Who owned the cattle?

Mr. DELAMAIN. I did.

Senator SMITH. You? How did you obtain the property on which you were keeping the cattle?

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Mr. DELAMAIN. I was renting it.

Senator SMITH. From whom?

Mr. DELAMAIN. Gen. Trevino.

Senator SMITH. Who is he?

Mr. DELAMAIN. He is dead now.

Senator SMITH. I know, but who was he?

Mr. DELAMAIN. He was a general in the Mexican Army, and he was at the time the chief of the third zone—military zone—in Mexico, in Monterrey.

Senator SMITH. What year was that?

Mr. DELAMAIN. 19—just about the time—in 1902.

Senator SMITH. Well, what happened?

Mr. DELAMAIN. Well, nothing happened until after the Madero revolution.

Senator SMITH. Well, what happened then—well, up to the Madero revolution you had no trouble of any kind?

Mr. DELAMAIN. No trouble of any kind.

Senator SMITH. Did you know of any trouble in that whole community up to the Madero revolution?

Mr. DELAMAIN. No, sir; none whatever.

Senator SMITH. Well, after that what happened?

Mr. DELAMAIN. Well, the first trouble we had was when Gen. Caraveo came through from the State of Chihuahua.

Senator SMITH. Well, go ahead.

Mr. DELAMAIN. He passed my ranch and took pretty well everything he could get, except the stock; he didn't take any stock more than kill some cattle. He took my provisions and everything else that he could take off, and my wife's property—all her clothes, provisions, and all the arms, and saddles, and bridles, and everything else on the ranch.

Senator SMITH. In your immediate neighborhood were there other foreigners?

Mr. DELAMAIN. Yes, sir.

Senator SMITH. Who were they?

Mr. DELAMAIN. The Piedra Blanca Cattle Co.

Senator SMITH. Who were they?

Mr. DELAMAIN. Blocker, Jennings, and Moore.

Senator SMITH. How many foreigners were in that immediate neighborhood at that time, estimating, just guessing at it?

Mr. DELAMAIN. Well, only three, three different ranches.

Senator SMITH. How far were they from you?

Mr. DELAMAIN. They were about 20 miles each on different sides.

Senator SMITH. Now, what happened after this first visit and the property you spoke of was taken—after the visit of which you spoke, Caraveo?

Mr. DELAMAIN. We had no more trouble at all until the Carranza revolution.

Senator SMITH. How long was that?

Mr. DELAMAIN. That must have been pretty near a year afterwards. It was after the assassination of President Madero.

Senator SMITH. When the Carranza revolution started, then what was the next thing you met with in the country in the shape of difficulties?

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Mr. DELAMAIN. Only the different parties of men passing through going from Coahuila to Chihuahua—Carranza's men.

Senator SMITH. Well, what happened; what did they do to you?

Mr. DELAMAIN. They used to take horses and kill bunches of cattle—take cattle.

Senator SMITH. How long did that continue?

Mr. DELAMAIN. That continued practically until I left Mexico.

Senator SMITH. When did you leave?

Mr. DELAMAIN. In 1915.

Senator SMITH. What relations did you have with those Carranza people—what interviews did you have with them—what reason, if any, were they giving for taking your stock?

Mr. DELAMAIN. Necessity—that they needed them—that they had to have them for the purpose of feeding their men.

Senator SMITH. Did you know Mr. Sebastian Carranza?

Mr. DELAMAIN. Yes, sir.

Senator SMITH. Who was he?

Mr. DELAMAIN. He was a nephew of President Venustiano Carranza.

Senator SMITH. What relation did you have with him or he with you?

Mr. DELAMAIN. Merely I used to go to see him to try to prevent him from taking my stock horses.

Senator SMITH. Did you succeed in preventing him?

Mr. DELAMAIN. Not at all, sir.

Senator SMITH. Were your horses taken by these Carranza people?

Mr. DELAMAIN. All of them, except this first case of Caraveo.

Senator SMITH. You told us about that?

Mr. DELAMAIN. Yes, sir.

Senator SMITH. I mean from that time on?

Mr. DELAMAIN. Yes, sir.

Senator SMITH. You were captured—were you captured by anybody?

Mr. DELAMAIN. I was captured in 1916, but that was after I had gone to the Piedra Blanca Cattle Co. ranch, after I had gone to take charge of the Piedra Blanca.

Senator SMITH. Who owned that ranch?

Mr. DELAMAIN. The Piedra Blanca Cattle Co.

Senator SMITH. The same one that you spoke of?

Mr. DELAMAIN. Yes, sir.

Senator SMITH. Well, what happened there?

Mr. DELAMAIN. Well, the same thing practically happened there; they took all the horses and stock and crops and everything else there; the whole time.

Senator SMITH. Well, what happened in your capture?

Mr. DELAMAIN. I was captured by Maj. Felipe Musquiz Castillo.

Senator SMITH. Was he a Carrancista?

Mr. DELAMAIN. He was an officer in the Carranza army.

Senator SMITH. Where were you captured?

Mr. DELAMAIN. I was captured at Conejo, on the Piedra Blanca.

Senator SMITH. Anyone with you?

Mr. DELAMAIN. No—my family was there.

Senator SMITH. What did they do?

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Mr. DELAMAIN. They took me away, and held me 10½ days, until I paid a ransom.

Senator SMITH. A ransom?

Mr. DELAMAIN. A ransom of $2,000.

Senator SMITH. They held you for that?

Mr. DELAMAIN. Yes, sir.

Senator SMITH. And the ransom was paid?

Mr. DELAMAIN. The ransom was paid by the Piedra Blanca Cattle Co.

Senator SMITH. Did you know one Mr. Fred Hillcourt?

Mr. DELAMAIN. Hillcourt? Yes, sir; a very old friend of mine.

Senator SMITH. Where was he living?

Mr. DELAMAIN. He was living at his ranch, at the Encantada.

Senator SMITH. What became of him?

Mr. DELAMAIN. He was murdered by Felipe Musquiz Castillo—with his family.

Senator SMITH. Well, that was the same man that held you for ransom?

Mr. DELAMAIN. The same man; yes, sir; it was afterwards.

Senator SMITH. Do you know anything about the conditions of the murder—why he was shot?

Mr. DELAMAIN. He was ordered to—Musquiz sent him an order to leave the ranch; that he wanted the cattle; and Mr. Hillcourt refused to leave; so he went in and murdered them all and threw them down in the well?

Senator SMITH. Murdered them all?

Mr. DELAMAIN. All of them.

Senator SMITH. Who did he kill?

Mr. DELAMAIN. Mr. Hillcourt and Mrs. Hillcourt, their son, Gerasha, and their daughter.

Senator SMITH. Who was he?

Mr. DELAMAIN. He was an English subject.

Senator SMITH. What became of the property there?

Mr. DELAMAIN. It was abandoned, of course; nothing has been done with it since.

Senator SMITH. Well, the live stock and movable property?

Mr. DELAMAIN. Well, that was probably taken by Musquiz.

Senator SMITH. Did you know a man down there by the name of Pat Malone?

Mr. DELAMAIN. No; I did not know him personally.

Senator SMITH. Did you know of him?

Mr. DELAMAIN. I knew of him.

Senator SMITH. Do you know anything about his being held for ransom?

Mr. DELAMAIN. Not more than that he was held.

Senator SMITH. You know that he was?

Mr. DELAMAIN. Yes, sir. That was after I left Mexico.

Senator SMITH. That was after you left?

Mr. DELAMAIN. Yes, sir.

Senator SMITH. Now, about this ransom of—you don't know the amount of ransom required in the Pat Malone case?

Mr. DELAMAIN. No, sir.

Senator SMITH. Do you know anything about the Carrancista officers knowing of any ransom sent by Maj. Castillo?

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Mr. DELAMAIN. Yes, sir; Felipe Musquiz Castillo.
Senator SMITH. What became of Castillo, if you know?
Mr. DELAMAIN. He was shot at the—he was captured by the Carrancista soldiers and shot at Conejo.
Senator SMITH. Who was he?
Mr. DELAMAIN. He was a major in the Carranza army.
Senator SMITH. And he was caught by his own men?
Mr. DELAMAIN. He was caught by his own men, men sent out by President Carranza.
Senator SMITH. And shot. Where did you go after leaving Mexico?
Mr. DELAMAIN. I came here to San Antonio, and then I went from here to England.
Senator SMITH. Did you go into the army there?
Mr. DELAMAIN. No; I worked in the war office.
Senator SMITH. In England?
Mr. DELAMAIN. Yes, sir; in England.
Senator SMITH. Did you have a son there in the war?
Mr. DELAMAIN. I had a son killed in the war, and I had a second son who has been demobilized.
Senator SMITH. All right, thank you, that is all.

TESTIMONY OF FRED WELSH.

(The witness was duly sworn by Dan M. Jackson, Esq., clerk of the subcommittee, duly authorized thereto.)
Senator SMITH. Where do you live?
Mr. WELSH. I live at Hidalgo.
Senator SMITH. Where were you born?
Mr. WELSH. I was born in England.
Senator SMITH. You are an American citizen or an English?
Mr. WELSH. I am an American citizen.
Senator SMITH. When were you naturalized?
Mr. WELSH. I was naturalized in 1887 at Ottawa, Ill.
Senator SMITH. Since which time you have remained in America?
Mr. WELSH. Remained in America; yes, sir.
Senator SMITH. And lived in the United States?
Mr. WELSH. Lived in the United States all the time.
Senator SMITH. You live in Hidalgo?
Mr. WELSH. I live at Hidalgo now.
Senator SMITH. Will you please tell the committee what depredations, if any, you suffered, whether you had property in Mexico, or whether it was on this side of the line, and what you suffered from the incursions?
Mr. WELSH. I lost three valuable mares that were taken on the 3d of May. I notified the officers——
Mr. JACKSON. What year?
Mr. WELSH. 1918.
Senator SMITH. Whereabouts?
Mr. WELSH. At Hidalgo.
Senator SMITH. On the American side?
Mr. WELSH. On the American side; yes. And I notified the military authorities and we went and traced the mares across to where they took them on this side and we traced the men back to our

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place. There were four men came to my farm and we traced them back, and we traced one man to the "jacal" that was on this side—the instrument on this side to help the ones on the other side to pick out—they were allotted to pick them out, I think, and we captured him—the military officer captured him and took him to Hidalgo, and Mr. Beeson, the inspector there, went across and notified the Carranza officers in Reynosa about my losses.

Mr. JACKSON. What place?

Mr. WELSH. Reynosa; it is just opposite from Hidalgo. And they went—the Carranza soldiers went out and took these animals from the bandits and brought them up to Reynosa, and Gen. Ramos, he sent a captain over to Mr. Beeson to make arrangements to get these animals back to me. While they were there this captain claimed he was insulted by some of our officers, or somebody there that said they were a band of grafters and that if Welsh would only give them a ransom like the other farmers that he would have no trouble to get their stock back again. Some of the men who had lost stock before I lost mine had given a hundred dollars or two hundred and they just naturally got their stock back. I said the only thing I would give them a reward for was if they would hang the men on the other side so they wouldn't steal anybody else's stock; I didn't propose to bribe anybody to protect mine. They went back and Mr. Beeson went over again and he said they refused to give up the stock, and they put them on the car and took them away. That is all I have heard from them since.

Senator SMITH. That was the regular——

Mr. WELSH. That was the regular Carranza officer, Gen. Ramos. The cases are all on file in the Intelligence office at Brownsville. Before that I lost considerable stock at odd times, but I could never trace it, my pastures are away off and I could not track them, for I could not tell where they went, but this time, it was a very wet night, and the tracks were sunk in 6 inches, and any fool could track them. It was a very wet night. They made a big fuss and the dogs barked and there were two stationed about 5 rods from the house, just waiting for me to come out. My wife woke me up. I sleep pretty sound and I didn't hear them very likely, and my wife said next morning it was a good thing I did not wake up because I might have been shot myself. They took the mares, and we got track of them. I lost about $600 or $700 worth of stuff, besides that, at different times, but we could not trace them. I heard there was some of that over there, but I could never locate them. I didn't like to go over there, it was not worth going over there after. I would rather stand the loss than risk my life. I think that is all I know about it.

Senator SMITH. What do you know of the general depredations of the Carranza forces along the border in your neighborhood?

Mr. WELSH. Only just petty thieving. I have never heard of anybody being killed or anybody being injured close there.

Senator SMITH. As to the constancy of that depredation going on across the line——

Mr. WELSH. Yes, sir; just all the time even up to this time.

Senator SMITH. Who is in control on the opposite side of the line down there now, the Carranza people?

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Mr. WELSH. Carranza; yes, sir.

Senator SMITH. And were all during the depredations of which you speak?

Mr. WELSH. No, sir; not all the time. The Villa troops were there for a short time. At the time they went to Matamoros, they were going to take Matamoros and got beaten out and went back again, that was about three or four years ago I think.

Senator SMITH. That is all.

TESTIMONY OF W. E. FRASIER.

(The witness was duly sworn by Dan M. Jackson, Esq., clerk of the subcommittee, duly authorized thereto.)

Senator SMITH. Where do you live?

Mr. FRASIER. I am making my home at present at El Campo, Tex.

Senator SMITH. You are an American citizen?

Mr. FRASIER. Yes, sir.

Senator SMITH. Born in the United States?

Mr. FRASIER. Yes, sir.

Senator SMITH. What experiences have you had in Mexico; have you ever lived there?

Mr. FRASIER. Yes, sir.

Senator SMITH. When did you go?

Mr. FRASIER. I went into Mexico first in 1903.

Senator SMITH. Well, go on and tell us the history of your life there and what happened.

Mr. FRASIER. Well, now, that is a great big tale to tell.

Senator SMITH. I know; make it as brief as possible; just the facts.

Mr. FRASIER. I went first in 1903, and I liked the country and I liked the conditions there, seemingly, and as we had guaranties from both Governments—the colonists had guaranties that went in there from both Governments—and I thought it was a good thing. I bought some property while there, and at that time came back, and went again in 1904. I liked it still better and bought some more and I moved my family there in 1905, and went into business, trading and buying some land and trying to raise some stock, and a general mercantile business. I stayed on from that until the Madero revolution without a flaw, without a kick, nothing seemed to be better, it was all good up to the Madero revolution and even during the Madero revolution we weren't molested hardly in any way. Hardly any petty larceny was committed, if it was, it was very small. After the Madero revolution troubles commenced. During the Huerta régime we had trouble, we had troubles with all, but with the Federal Government the worst. It seemed that our colonists suffered worse from the Federal Government than it did from the rebel government.

Senator SMITH. What was the Federal Government at that time?

Mr. FRASIER. Well, the Federal Government at the time that the first depredations started out, was under Huerta, and it went from one to the other, and it finally came on down to Carranza, and he got charge of it; he has got it yet, and during his reign we suffered the worst.

Senator SMITH. You speak of "we"?

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Mr. FRASIER. I mean the colony at large.

Senator SMITH. What colony was that?

Mr. FRASIER. The Blalock Colony, of Mexico.

Senator SMITH. We had Mr. Blalock on the stand?

Mr. FRASIER. Yes, sir.

Senator SMITH. You were in that same neighborhood?

Mr. FRASIER. Yes, sir; I was not one of the colonists—one of the first settlers—I went in the second year.

Senator SMITH. Do you know about any outrages committed; if so, by whom, against any Americans?

Mr. FRASIER. Well, there were so many of those outrages committed, and so many different times, it is hard for me to keep data. I kept posted on those things every day. I kept a diary of all the news I heard that transpired; I kept a diary of it; but that, with every other paper I had that was worth a cent in the world, was destroyed, consequently I am short on that. I can recollect the incidents, but can not recollect it all.

Senator SMITH. Then, you say that all the data you carefully kept was destroyed, and that you have to depend on memory?

Mr. FRASIER. Yes, sir; I have to depend on memory.

Senator SMITH. Do you remember anything about the case of an American girl—any outrage committed by the Federal soldiers at Tampico?

Mr. FRASIER. Well, in or near Tampico; it was a family by the name of Gourd, Gourd was the name; I was not acquainted with them, some of our colonists were acquainted with them, but I was not. I believe I saw the two girls, women, I think I did, when we came out of there in 1913—well, in fact I know I did; they were pointed out to me, and then I saw this man Gourd there, and I saw the two women. They said they were his daughters.

Senator SMITH. You know nothing personally about it?

Mr. FRASIER. No, sir; I know nothing personally about it, only just from hearsay, that was all I know about that, and the depredation was pretty tolerably tough, the way I can gather.

Senator SMITH. What was the feeling of the Carranza officers down there, did you hear their expression generally as to the Americans?

Mr. FRASIER. Well, not very good.

Senator SMITH. Well, were they very bad?

Mr. FRASIER. Well, you might term it bad; if you was at the point of a gun—I have been punched in the belly several different times by those people.

Senator SMITH. For what?

Mr. FRASIER. Just because I would not dance when they wanted me to. I have been punched around at various times a right smart by the different people at different times—that is, the Federal troops; that is, it was this Castro's bunch passed through our country at that time, about 750 strong, and part of his men came in at night and demanded that I go to my corral and get the horses out for them, and I told them I would not do it—if they was a mind to take my horses they would have to take them, but I wouldn't give them to them. They threw down a rope and told me to give it to them or they would kill me, and I told them they can go on and kill me, just go on with their killing, I am not going to do it. One

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of them dismounted with his gun presented and the other two rode up on either side and punched me around a right smart with their guns and scared my family pretty bad, to a considerable extent; they thought they were going to kill me, and I didn't know whether they would or not, but I refused to go get the horse. Finally they had a peon fellow, they had him go and get it. Well, they turned a little sheep of a pony into my pen, and it stayed there during the night, and it looked like it needed feeding pretty bad, and I fed it.

The next morning I reported to one of the officers, I do not know his name now, and I told him about it and he told me to point them out. I pointed out one, because he had my horse, and he went to him and drew his sword and I thought that I would get to see a little sight, the way he talked. I imagined that there would be a head rolling around there somewhere, but he got down there and waved his sword around him considerable, and brought him on back and told me to go down there and get it and put that horse back. I told him I didn't take it out and it was up to him to have it put back. So he went and had him take his horse and put him back and took out the little pony. Well, they didn't do anything serious to any of us there, only palavered around a little while and got what beef cattle they needed. That was all they did there. They had shot into the houses of some of the colonists, just before they got to my place, these same men, but they didn't kill anybody.

Senator SMITH. After the Vera Cruz incident things got a little worse, didn't they?

Mr. FRASIER. Yes, sir.

Senator SMITH. Well, do you know anything about robbery by the Carranza soldiers of any American just after this Vera Cruz incident?

Mr. FRASIER. Well, I have heard of it, but personally knowing it, I did not see it.

Senator SMITH. You do not know anything about that except from general reports, hearsay?

Mr. FRASIER. Yes, sir.

Senator SMITH. Do you know a man by the name of McElroy or Medlin?

Mr. FRASIER. Yes, sir; there was Medlins and McElroys there.

Senator SMITH. What became of them?

Mr. FRASIER. They are out in the States somewhere, I don't know whereabouts: they are in the States somewhere, the McElroys are, and some of the Medlins.

Senator SMITH. Well, were they held?

Mr. FRASIER. Were they held in captivity?

Senator SMITH. Yes.

Mr. FRASIER. I don't know, sir.

Senator SMITH. Don't know whether they had any ransom paid?

Mr. FRASIER. Well, you see, I came out in 1916: there might have been something happened afterwards, but I do not remember of these people being held for ransom while I was there.

Senator SMITH. Very likely it was after you left.

Mr. FRASIER. Yes, sir; because they were out in and around Tampico and up and around our ranch after I left there, the Medlin's were, considerably.

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Senator SMITH. Down at Ocampo do you know of the killing of anyone down there by Carranza soldiers?

Mr. FRASIER. Any Americans at Ocampo?

Senator SMITH. Yes, sir.

Mr. FRASIER. No, sir; I do not. There were several American citizens killed at our ranch, but we were 12 miles from Ocampo, west of us 12 miles.

Senator SMITH. Who was killed on your ranch?

Mr. FRASIER. Well, I believe about the first man that was killed on our ranch was a man by the name of Brooks, supposedly killed by the Mexicans. He had some trouble with a Mexican down there about a girl, and got some stuff at my place, got some groceries, and there on the mountain he was killed before he got home; and it was supposed to be by a Mexican, and I believe it was from the evidence.

Senator SMITH. What were the initials of Brooks?

Mr. FRASIER. I do not know. Mr. Blalock, you know.

Mr. G. E. BLALOCK (from the audience). Bill Brooks.

Senator SMITH. Mr. Blalock has testified.

Mr. FRASIER. It was supposed that he was killed by this Mexican from the evidence that I gathered, and the evidence that I gathered came in peculiarly, but maybe you would like to have it. I sold shot as well as other stuff there at my store, and had ordered some shot from Tampico and they sent me out "blue whistlers."

Senator SMITH. Buckshot?

Mr. FRASIER. No; bigger than buckshot, great big shot. There was no shotgun there that could use that hardly at all, and there was one Mexican, it was the Mexican who was supposed to have killed this man, who bought some of this shot; he bought a great many, he would kill a great many deer with it, and he always put seven of these shot in his shell; and this man was shot with seven of those big bullets.

Senator SMITH. Do you know of anyone else that had such shot in the country?

Mr. FRASIER. No, sir; I do not. In fact, I was the only man that was selling shot in the country.

Senator SMITH. Did they ever try him for that?

Mr. FRASIER. Well, they had a little trial and it was all bosh, we have learned that.

Senator SMITH. Do you know anything about the wife and sister-in-law of I. M. Voight?

Mr. FRASIER. No, sir; I do not. I have heard something about that, but I don't know anything positive about it.

Senator SMITH. Do you know anything about the killing of Randle?

Mr. FRASIER. Yes, sir; I do.

Senator SMITH. What about it?

Mr. FRASIER. He was killed on our ranch. I reckon that was about 1909 or 1910; along there; possibly it was as late as 1910. I had it in my diary, but I have not got it now. He was murdered by—as it was proven afterwards—three or four different Mexicans. There was one, I suppose, lying down in the wagon, watching, giving signals; that is the way they told it, as to when he was coming,

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which direction, etc. They came on into his house and murdered him in his house, and cut him all to pieces with machetes, and then robbed and carried over there to his well. I know he was robbed because he had money; he was at my place the day before this occurred and he had quite an amount of money, and the money that I saw taken from the Mexicans they said had killed him.

Senator SMITH. Did they ever try them for that?

Mr. FRASIER. These Mexicans that killed him, they were tried in a way; the evidence was conclusive and they were bound to find them guilty; they found those Mexicans guilty; I saw the three gentlemen in strings, elbow to elbow. I was going to Tampico to buy goods, and I saw them at the station; they told me they were carrying them to Victoria to shoot them, execute them.

Senator SMITH. How far was it from your ranch to Victoria?

Mr. FRASIER. From their ranch, I think 80 miles; something near 80 miles.

Senator SMITH. They gave no reason for carrying them that distance?

Mr. FRASIER. Victoria was the capital of the State, and they carried them up there to have a good thing of it.

Senator SMITH. Did you ever hear of those men afterwards?

Mr. FRASIER. Yes, sir. They afterwards, some of them, came back to our ranch instead of "putting the bud" to them, they put them in the army as a punishment, to serve out their term there, I do not know how long, but anyhow they were seen at our ranch afterwards, some of them; I do not know whether all of them were, but I saw one of them, he looked liked the same Mexican. All coons look alike, they say, and very nearly all Mexicans look alike; unless you are very well acquainted with them you can not recall them very well.

Senator SMITH. I appreciate the difficulty. Say, did they ever have you prisoner down there?

Mr. FRASIER. Yes, sir.

Senator SMITH. Whereabouts?

Mr. FRASIER. At Ocampo.

Senator SMITH. What for?

Mr. FRASIER. For kicking a Mexican out of my house.

Senator SMITH. And they arrested you and held you there? How long?

Mr. FRASIER. Oh, three or four days.

Senator SMITH. How came you to kick the Mexican out of your house?

Mr. FRASIER. Well, the first of it, I had sold the Mexican a sewing machine on the installment plan—to pay for it every week—for the machine. He paid the first week—he was a shoemaker, and he used this machine in sewing leather, and his wife used it also in sewing garments, so in our transaction it was stipulated before a witness—you have to have things witnessed before a Mexican contract—and it was witnessed at that time, to pay me an installment every week. Well, he went on until he paid a little bit of it, and paid by letting me have shoes at a stipulated price to sell in the store. I would take these shoes and credit him; and he had a tendency to drink right smart, when he could get it, and he got in the habit that instead of selling me shoes, he would sell them to

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somebody else and drink it up. His wife came over and told me that Federico was drinking up all the money, and she didn't believe that he could pay for the machine.

He and his wife both went into the trade to pay for that. I told her I couldn't do anything in regard to that, he would have to come around and pay, because the time was pretty well up for him to pay for the machine, there was only a part of it paid, a small part at that. Well, he came over with a pair of shoes, and he wouldn't sell them to me only except for the money. I told him that I would not pay him the money on them, that I wanted the machine paid out. He told me not to have any fear, that he would soon have plenty of money. He was drinking some then and he went off with the shoes and sold them to another party. He said his brother was in there, or his wife's brother, I disremember which, they wanted to have a "fiesta," they could get the whisky and get on a pretty big drunk, so they got the money from somebody else, and during the time his wife hollered to us, I went across the street where she was at, and she said, "Federico is 'mucho barracho'"; that is, drunk. I said, "Well, you are going to have to do something with him, or you will lose that machine." I told her I could not do anything with him. I went on back to my place of business, and he came on up there, and I told her that he would either have to lose that machine or pay for it, that there was no 27 ways about it, that I could not give it to him, I would have to have the money or the machine; he got awful mad and he came over to my place of business. They generally carry a blanket with them, whenever they have something up their sleeve. A man by the name of Smith was doing my freighting. He came in, abusing me, and I told him I didn't want to have anything to do with him, that he was drunk. He didn't want to get out and I pushed him out. He came in and I pushed him out again. He came in and that time he made a scratch on my face, and I just gathered him by the shoulder, and that blanket, and I put him out of that house, and as I undertook to throw him out of the door—it had a little gallery—his blanket slipped and I threw him down on the floor and his face struck the corner of a box somewhere along here [indicating] and it bled a little bit, and he turned to kick me, and of course I was some kicker, too, and I kicked him until he said he would be good.

Well, we went out from there and my friends told me—my Mexican friends told me—they said "There will not be anything to this; he has laid himself liable, as you can prove, and there will be nothing to it; let him go." As I didn't do anything, he had me arrested and put in jail. It didn't cost me much.

Senator SMITH. How long were you in jail?

Mr. FRASIER. About four days.

Senator SMITH. And got out?

Mr. FRASIER. Yes, sir; paid out.

Senator SMITH. When did you come away from Mexico?

Mr. FRASIER. The last time I came out on August 4, 1916.

Senator SMITH. 1916?

Mr. FRASIER. Yes, sir.

Senator SMITH. Now, what became of all the movable property that you and the colonists and all those people had that were down there?

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Mr. FRASIER. I think the bulk of it went up; mine did.

Senator SMITH. What do you mean by going up?

Mr. FRASIER. Into the hands of those fellows that were there to receive it—they got it—both sides got it; but I think from what I can gather—I think the Federal side got the bulk of ours. When I came out in 1913 I left quite a stock of stuff there of various classes. I have never gotten anything out of that. I had a considerable store full of goods, and I never got anything out of it, except when I was there in 1915 I sold for such money as I could get; I had to sell for that or they would take it. They would count the money no good; I would either have to take that or something else, but while it was good I could buy something to eat with it just the same as anybody else. But finally I came out; I was not stocked up much.

Senator SMITH. What is the hope, as you see down there, for any law or order?

Mr. FRASIER. There has got to be one made.

Senator SMITH. There is none there now?

Mr. FRASIER. No, sir.

Senator SMITH. There has not been since the revolution started?

Mr. FRASIERS Practically none.

Senator SMITH. That will do.

TESTIMONY OF DR. JOHN HUNTER.

(The witness was duly sworn by Dan M. Jackson, Esq., clerk of the subcommittee, duly authorized thereto.)

Senator SMITH. Where were you born?

Dr. HUNTER. I was born in Hamilton, Ontario.

Senator SMITH. Are you an American or British subject?

Dr. HUNTER. American.

Senator SMITH. Where were you naturalized?

Dr. HUNTER. Never was; my parents just happened to be on a visit there, so I am told.

Senator SMITH. Oh, I meant whether you are an American citizen?

Dr. HUNTER. I am an American citizen.

Senator SMITH. So, you were born there, but you were born of American parents?

Dr. HUNTER. Yes, sir; they were just on a visit.

Senator SMITH. And ever since you have been exercising the rights of an American citizen; have lived in the United States principally?

Dr. HUNTER. Yes, sir. I have lived in Mexico quite a while.

Senator SMITH. All right. I will get to that in a minute. What is your profession?

Dr. HUNTER. Medicine.

Senator SMITH. Where were you practicing before you went to Mexico?

Dr. HUNTER. I was practicing in Hawaii.

Senator SMITH. Where?

Dr. HUNTER. I was practicing in the islands of Hawaii, before I went to Mexico; I was practicing in New York before I went to Hawaii.

Senator SMITH. When did you go to Mexico?

Dr. HUNTER. In 1906; I entered at Nogales.

Senator SMITH. Where did you land in Mexico?

Dr. HUNTER. Hermosillo.

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Senator SMITH. Will you please succintly try—it is not necessary for me to ask you the questions: you know the history of your experience there. Will you commence with your advent into Mexico and detail as briefly as you can your experiences there?

Dr. HUNTER. I went into Mexico partly an invalid: I was ill, and I went into Mexico at the invitation of Dr. Johnson, of Tennessee, to visit him at his mine on the Yaqui River in Sonora. At that time the Yaquis were on the war path, and they were killing about a man a day. I stayed there about a month and went back to Guaymas, and from there I went to the mine called Lluvia de Oro.

Senator SMITH. Where was that?

Dr. HUNTER. I believe that was in the edge of Chihuahua; it may be, they are right near where Chihuahua and Sinaloa come together. I am not positive which side they are in now. These mines shut down to build—I became physician to the mines, and they shut down to build a new mill, which would take them two years, but it took them longer than that. I started back to the States, and on the way I made arrangements to go back to the mines in the State of Sinaloa, and I stayed there for a while and went to—I left there because I found it was a wild-cat mine, and I went to Culiacan and established a practice there. I came back to the States, however, before I located in Culiacan. This was in the time of Diaz, and I went to Chihuahua and got some mules and an Indian guide; he could not speak English and I could not speak Spanish then, and I went across the Sierra Madre Mountains to the west coast alone, and I slept anywhere that night would catch me. In the little towns on the water—they all build on water courses when they could, they did not want to be where there is no water—I would sleep in the edge of the towns, in the center of the towns, in the woods, or anywhere, without the slightest uneasiness at all, and I went on without any trouble. Now I hardly want to stay anywheres in any house anywhere in Mexico. I went to Culiacan and I practiced nearly two years there.

Senator SMITH. Now, conditions changed from the days of the—who was in control of Mexico; who was President of Mexico at that time?

Dr. HUNTER. Diaz.

Senator SMITH. Now, coming on down—what the committee wants to get at is the conditions down there; what you have seen with your own eyes?

Dr. HUNTER. Well, they changed very materially after the revolution started—the Madero revolution.

Senator SMITH. Do you know a man by the name of Kelley, a mining engineer?

Dr. HUNTER. Yes; sir; very well.

Senator SMITH. Where was he living?

Dr. HUNTER. At the El Favor mine, in Jalisco?

Senator SMITH. What year was that?

Dr. HUNTER. 1912 and 1913, and up to 1914.

Senator SMITH. Did they have mines down there?

Dr. HUNTER. Yes, sir.

Senator SMITH. What became of them?

Dr. HUNTER. Of the mines?

Senator SMITH. Yes.

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Dr. HUNTER. I do not know; I left them there.

Senator SMITH. The mines are still there?

Dr. HUNTER. Yes, sir; but that is about all the property, though. Mr. Neal, I understand, who was manager at that time, is back in Mexico.

Senator SMITH. Do you know whether any of that property was destroyed by dynamite there?

Dr. HUNTER. No; I do not know that the property was destroyed by dynamite. I know they tried to destroy my house with dynamite.

Senator SMITH. That is what I am tring to get at. Where were you then?

Dr. HUNTER. I was in a house that I occupied down on a large gulch that ran below the mine, and below the plateau, on which the residences of the mine workmen were—where they lived, and they had a store. And I had built about a 10-foot rock fence around it with a tower in each corner, and there was an opening in each side of the tower; and one time we were notified that Julian Medina, a noted bandit, was coming down to the mine, and Mr. Neal telephoned me to come up to the mine as quickly as possible, and I went up to the mine; I had a shotgun and a pistol and I carried them with me. He said, "You are just in time; they will be here in 20 minutes." There were four of us there, Mr. Hardley, Mr. Williams, Mr. Neal, and myself, and we held a council of war, and we all decided to fight them. We got into those towers and held them off until we could got aid from Gen. del Toro, who was stationed at Hostotipaquilla. He had 400 armed men over there, and there were 300 claimed to be in this band. They had sent down and asked Mr. Neal if he would surrender the place, and he sent them word, "No; that if they got it they would have to take it, and Mr. Neal said, "I want to fight them, too; we can hold them off for three weeks; we have provisions here for three weeks, but during that time they will dynamite the mine, the mill, and lose the company a great deal of property. He said, "I think we had better let them come on down and try to compromise with them." So we agreed to do it. I was in one of the towers as they were coming down; the trail zigzagged over the mountain as they came over. The first man had a big, red flag, about four feet square. To his rear there were 20 men, a long distance, then another group of men; then a distance, and then another group of men, and so on to the end.

I was dressed in white clothes, so they could see me; they saw me through this opening of about 3 inches by about 4 feet high. I was in the corner next to the door that had been dug out of the side of the gulch on the other side, about as far as the width of two of these streets from my tower. We had agreed that we would not shoot a gun at all until notified by Mr. Neal, unless there was somebody trying to get over the wall or fence back of us. Those fellows saw me, the first ones; just in an instant they dropped down in the road and everyone pointed their guns up, hid behind the rocks, and pointed their guns at me up in the tower like that. I waited a few minutes, somewhat in suspense, and they jumped on the horses as quick as lightning and ran around to the gate or door and hollered, "Viva, Villa; viva Zapata." And when they got there they said they wanted to talk to the manager. "I am

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the manager," said Mr. Neal. "Open the door," said Julian, and they said, "If you don't open it we will dynamite everyone; we will dynamite it." And every one of them had dynamite, so far as I saw. He said, "I will open it if you will come in by yourself." "All right," said Julian; and he opened the gate and stepped in Julian, and stepped in Estrada, and stepped in another man, and when he started to slam the gate he stepped up and turned to us and said, "Men, don't allow this gate to close under any circumstances; don't allow anybody to come in or go out, and at the sound of the first gun dynamite the whole place." Mr. Neal said, "I guess you had better come up to the office." They compromised by giving them $500 in money, a few rifles, ammunition, and letting them take $500 worth of goods out of the store, which they did. Gen. del Toro, Huerta's general at Hostotipaquilla, had been notified of their coming long before they reached the mine. Mr. Neal knew it probably two hours before they got down there, and del Toro notified him over the telephone that he would come to our assistance. These fellows got down there at 10 o'clock in the morning. They robbed the whole gang of Mexicans, took every gun, pistol, horse, and everything they could get, and they stayed there until about 3 o'clock in the afternoon; still there was no del Toro; no Huerta soldiers.

They went in the direction of Hostotipaquilla and stayed there that night and the next day and still there were no Huerta soldiers. Now, three nights after that I was in my house below and this man Kelley occupied a room that was nearly adjoining my room, and a little supply of drugs and an operating room were between us and I was in my room by myself and he was in his by himself; and sometime in the night I was aroused by the most terrific explosion I have ever heard in my life, and I brushed the dirt that fell from the walls off from my face and I said, "That is dynamite. I guess I am gone now." I thought of my gun, and I had left it up at the house and my pistol, I had that in the office. I guess I would have to take it; I laid there and momentarily waited for another blast that would carry me off, but nothing more came of it, and sometime or other I went to sleep, and in the morning I woke up and went out and the sun was shining and there was quite a hole that this dynamite had made in the ground over there on the road in front of my house. The road zigzagged up to the mines that way, and they naturally had thrown this dynamite from the road over to the house and if it had struck us, of course, we would have been gone. Mr. Neal told me to come up, said he had plenty of room up here in this inclosure in which to stay. I said, "No, I won't do that, because if I do it, these Mexicans will think I am afraid of them and I will be up against it sure enough." I said I would not do it. I stayed there nearly a month before I went into Guadalajara.

Senator SMITH. What became of the mines there? Did these people, Neal and Kelley, did they leave?

Dr. HUNTER. They did not leave then. The train that was gotten up by Mr. Holmes, the British Consul, to take us all down to Manzanillo—he got the governor by staying with him until 1 o'clock in the morning—to return the train down, after the soldiers landed and captured Vera Cruz. They went back out to the mines. This I did not see myself; I got it from Mr. Neal; it was all published in the

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newspapers. He told me it was facts, as published in the newspapers of New York City. Shall I tell that?

Senator SMITH. I did not catch that.

Dr. HUNTER. I say, I did not see these men that were killed after I left there, but I got it directly from the manager, Mr. Neal, himself, in a letter telling me these facts were correct as published. Shall I tell that?

Senator SMITH. Yes; as briefly as possible.

Dr. HUNTER. Well, he would not go on that train; I begged him to go on that train—to go back to Manzanillo, and come out of there. He said, "Those men are my friends, they won't bother me." I said, "They will kill you just as quick as they will anybody else." He said, "Well, I have got to go; I have got to go pay off the men to-morrow; if I don't, there will be trouble. I will come back just as quick as I can and bring the other men in." He went out to the mines and paid off the next morning. That day at noon somebody notified them in the dining room while they were eating dinner that the bandits were in the zinc room taking the bullion out. He and a young man named Baird came out of the dining room, out of the inclosure, with their guns, and turned to the left and went down a little gulch that led down by this big gulch by my house, and Williams went down toward the zinc room, Williams and Hardley, which was on the other side of another gulch that led down to the big gulch.

Mr. Neal stayed and heard shooting, but he did not know what it was. He supposed that the boys had been shooting at the bandits; that they had gone up an arroyo instead of going down, and came on back to the house. When they got on the little flat place in front of the store, some one hollered to him, "What are you men running around here with guns, what are you men anyway?" And as he turned around to see what was the trouble he heard Mr. Baird say, "No, Tiremas mas"—that is, "don't come any nearer to me," he turned around to see what was the matter with Baird and he saw a man over him stabbing him with his knife, and as he turned he got five stabs in his back.

Senator SMITH. What man was that that was stabbed by the knife?

Dr. HUNTER. Neal and Baird.

Senator SMITH. Neal was the manager of the mines?

Dr. HUNTER. Yes, sir; Walter Neal.

Senator SMITH. What do you know about seeing men hung up there and ropes under their arms and tortured?

Dr. HUNTER. I have seen that frequently.

Senator SMITH. Who were the men?

Dr. HUNTER. Mexicans.

Senator SMITH. Mexicans?

Dr. HUNTER. Mexicans; hung up by Mexicans.

Senator SMITH. For what purpose?

Dr. HUNTER. Heavens only knows. I suppose they thought they were against them. They were all claiming to be Villistas that were doing the devilment around there; the Huerta soldiers were incapable of suppressing them in any way; they would not try to do it. I saw the men hanging. They tied a rope around their arms, under their

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arms like that [indicating], under their neck, and hung them up to trees so they would suffer a long time, and they will shoot them, and these fellows had their feet chopped off; they will chop off their feet and chop off any other piece, just to give them all the torture they can.

I have seen them hanging up along the road. I saw three of them at one time there; there was no feet beneath their white breeches, they wore big, loose white drawers, white shirt, the custom they have there in that country, and big hats and sandals; I saw no feet, I rode over there and lifted up their pants and saw they were chopped off, missing. When the soldiers captured Vera Cruz there were great flaming circulars spread all over the country, all over Guadalajara, I was in Guadalajara at the time, stating they were actually in war with the United States; that they had captured every town on the border, Brownsville and Laredo, and every one, except El Paso; that the prisoners at Fort Bliss had killed 800 American soldiers and with their arms and ammunition were marching on El Paso which would soon fall; that Villa had already united with Velasco, and that 150,000 brave Mexican soldiers were marching over American soil, tramping over American soil, and that the cowardly American dogs were running like chaff before the wind, that God is with us and we are going to win. It fired them so they wanted to kill everybody they saw, nearly. One morning I was going down the street, down to the hotel where the Americans had housed in the Cosmopolita Hotel, and the French in another place, and the English in another, and they had destroyed everything in the American consulate that I knew. They took the flag down and drug it through the streets. There was a little group on the corner as I went by and I heard some of them say—I had learned Spanish by this time—I heard them say, "There goes one of the beasts. Let's shoot that fellow, let's begin on him. Now is a good time to shoot him, let's begin on him." I wasn't doing anything much, and I went on and paid no attention to him, and I went farther down the street. I heard a man, I knew him, Salvador de la Campa, he said, "We will go over and kill Keep." Mr. Keep was a large merchant there, he had an immense store, selling hardware and American mining and farming implements, he must have had a couple of hundred thousand dollars' worth of stock, it was a big thing.

He said, "We will go over and commence on him." He did not see me, he was standing with his back to me, and I went over and told Mr. Keep to get out of there as quick as he could, told him what I had heard and said, "You go to the house, don't stop for anything, go to the house immediately and telephone Mr. Holmes, and see if he has arranged for that train to take us to Manzanillo," and he did it. The train had been arranged for, and he disguised himself and got down to the train, and his wife came in afterwards. I went down to the store and a Mexican came in with his hands up, and he said, "We ought not to allow any of those Americans get away from here. We ought to take them every one, men, women, and children, and put them in the penitentiary, and blow them up with dynamite the minute we hear about a Mexican being badly treated in the United States." I saw them make some Americans get out of a coach on the street and made the driver throw their

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valises out and told the driver that they would kill him if he took another one in the hack. They got out of the hack and went around the street and got in another carriage and got up to the British Consulate, because Mr. Holmes had been to the Cosmopolita hotel and told them, the Americans, that they were not safe there, to come down to the British Consulate and he would try to protect them, and they all went and there was never a move made after that against them.

Senator SMITH. In the meantime, while they were getting protection under the British flag at the British Consulate, what was done to the American Consulate there?

Dr. HUNTER. It had been ransacked, so far as I know, I did not see it, I did not go to it, but everybody said it had been, and the American consul was in hiding.

Senator SMITH. Who was the American consul?

Dr. HUNTER. Who was he?

Senator SMITH. Yes; who was he at that time, do you remember?

Dr. HUNTER. Yes—I knew his name, I do not remember now, I knew him well.

Senator SMITH. It does not matter, it can be obtained.

Dr. HUNTER. Yes, it is in that thing I sent to Mr. Hanson.

Senator SMITH. What indignities did you see perpetrated, if any, on the Americans there, as to shaving their heads and that sort of thing?

Dr. HUNTER. Plenty of it. I was in Culiacan when the Southern Pacific Railroad built in there, and they would catch any American that they could without any excuse except that he was an American, catch him on the street, and put him in jail, and the next morning they would shave his head just as clean as they could get it, and if he had any money, they would take it and turn him loose. There was one man, a young man that I knew, standing on the corner waiting for a friend and two policemen came along and said, "What are you doing?" He said, "I am waiting for a friend." They said, "No, you are drunk." He said, "I do not drink." And I knew he didn't, they said, "You are drunk." And they took him down to the jail and the next morning they shaved his head and turned him loose. He was a British subject and he complained at once to the British consul at Manzanillo, and there was never another head shaved. They notified Gov. Canales at Culiacan and the thing was stopped right there, there never was another head shaved at all.

Senator SMITH. Then your observation was that the only chance for an American's protection at that time was through the British consul?

Dr. HUNTER. Yes, sir; a number of Americans claimed to be British to get protection. They told the Mexicans they were British, and it was all right then.

Senator SMITH. What became of that American flag that was at the consulate there; do you know?

Dr. HUNTER. I do not know what became of that flag; but I know what became of one I saw along the railroad. Now, we will get you to Manzanillo. When we got on the train we started out to go from Guadalajara to Manzanillo; there were a lot of soldiers on the train, and I noticed a lot of officers talking to each passenger

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down in the front of the car I was sitting in. I thought nothing of it. I thought they were looking at the tickets or passes or something of the sort, and when he came to me he told me that they were ordered by the governor, for our protection, to take up whatever we had—whatever silver money we had, or arms, or anything of the kind—and they would give us a receipt for that and give them back to us when we got to Manzanillo. Well, I had a nice little Smith & Wesson pistol and scabbard and belt, and I gave it to him, and I gave him what silver money I had—Mexican money—and he said, "I am out of a receipt; I will bring you one in a minute." That was the last I saw of him, except on the train, except when the train stopped there were a lot of automobiles waiting for them, and they got into these automobiles and went back to Guadalajara and left us without money or protection in any way, and the first town they stopped at was Zacoalco.

Senator SMITH. Who was doing this?

Dr. HUNTER. Those were Huerta's soldiers.

Senator SMITH. Do you know of any connection of Obregon with that, at all?

Dr. HUNTER. No, sir; I do not. When we stopped at this station of Zacoalco there was an immense, howling mob there, crying, "Kill the Gringos; dynamite the train; don't let one get away"—all that sort of thing, whooping and cursing us for everything that was vile and dirty, and they had a big American flag, and they waved that up and down, and threw it down and trampled over it and yelled and cursed it, and finally they ripped it up in strips and put matches to it and burned it, and threw the ashes in the windows at us. They threw in sticks and mud and dirt; nearly every one of us got mud on them. I was sitting at a window, and a fellow threw a little stick with a Mexican flag on it like a dart—threw it right at my face—and I dodged and it went right by my side.

Senator SMITH. Who is Mr. Will B. Davis?

Dr. HUNTER. That was the American consul—he was on that train.

Senator SMITH. And Mr. Crawford, also?

Dr. HUNTER. Mr. Crawford was on that train.

Senator SMITH. Where does Mr. Davis live now?

Dr. HUNTER. He came to some point in Texas; I tried to find out, but I do not know.

Senator SMITH. What about Mr. Hunt? Do you know a man by the name of Hunt?

Dr. HUNTER. Very well—he was a land dealer in Culiacan.

Senator SMITH. Did he suffer any indignities that you know of?

Dr. HUNTER. Not that I know of.

Senator SMITH. He lived at El Paso, I believe.

Dr. HUNTER. I think he lived at El Paso; but when we got to Colima we were held up there till near morning. It was only 25 miles to Manzanillo, but the train was held up there, for what purpose I do not know. I know the British consul came there and told us all to be calm and not to be uneasy; that he was doing everything to protect us that he possibly could; that the Government had promised that we should be protected. Before morning they pulled out and took us down to Manzanillo. When we got down there I got out of the train with a couple of valises and got two little boys to take

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them down, and a soldier walked up and kicked them and told them to drop the valises, and I had to carry them myself. When we got down to the wharf they put the men in a room that was part out over the dirt and the other part over the water; they let the women go aboard the ship *Maria*, a German steamship. They let us stay there until 3 o'clock before they would let us go aboard the ship. I was told that they had dynamite under the room and they were going to blow us up if any American ship came up in the harbor.

Senator SMITH. Where was this German ship bound?

Dr. HUNTER. That German ship had come in there with over 200 Chinese men, and they would not let them land, and the German captain of the boat said in order to protect us to come aboard; that he would take us to California; that he didn't know whether he had enough for us to eat or not, but he would do the best he could. He took us all aboard and put us on two meals a day, at half rations. He put the Chinese in the aft hold—it was an old freight ship—and gave us the under deck in front. There was a young man on that boat that had gotten there the day before.

The Americans from the ranches had gotten there before. They formed a procession of all these Americans; they took Wilson's picture out of the consulate and painted long black horns on it; they took the American flag and made the Americans follow this flag and picture around, singing, joking, and cursing the Americans; they threw that down and made them walk over them and burned them up and threw the ashes over their heads. This young man was on that ship, and they sent word to him—I don't know what for; some Mexicans had a grudge against him—and they sent word to him that somebody had sent him some money by telegraph, and to come over and get it; and he told them to tell them if anybody had sent him any money they could have it; he didn't want it. They sent over some soldiers to take him off the boat and take him over. The American consul, both of them—Dr. Davis and Mr. Stratton, at that time consul at Manzanillo—knew the man, and they knew he was all right, and they told them so, but they would not listen. There was a young man there, a German, who had been a bookkeeper at one of the mines that I was a physician to; I knew him very well, and he told them that he was a German consul; he said, "I am acting consul, and I demand in the name of my country that you liberate that man." He said, "You have got the United States down on you now; you are at war with the United States; do you want to go to war with my country now?" He said, "I demand that you liberate that man," and they turned him loose and he got back to the ship and came on with us.

Senator SMITH. Do you know anything about the kidnapping of Mr. Baird?

Dr. HUNTER. Yes, sir.

Senator SMITH. What about it?

Dr. HUNTER. He was at the mine that I was physician at. I was always physician of three or four mines, and that was one I was going to twice a week. There came a crowd to his house one night and knocked at the door, and he said, "What do you want?" And they said, "We want some medicine for a sick man." He was accustomed to giving them a little medicine himself that way. He opened

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the door, and there were a lot of rifles at his face. He slammed the door and ran back to the telephone by the window and grabbed the telephone, and a gun stuck through the window and said, "Drop that or we will kill you." He said, "We are not going to hurt you; we came here to get your guns and ammunition. Open the door; we will take it and not hurt you." He opened the door, and they took his rifle and shotgun and the ammunition, and he complained about it to the fellow who was really the boss of the gang himself who was talking, and he told him the "jefe" of the gang was down on the Santiago River; he said, "Come on and go with us down there, and he may give them back to you." He said, "All right," and he started out with them, and he did not go 20 feet from the house before two men grabbed him and they searched him and took a pistol out of his coat pocket and took his money and told him to write a note back to the bookkeeper to send them a thousand dollars or they would kill him. And he wrote in English to send $500—maybe they would take that, or they could increase the amount. Well, they became frightened in the meantime and took him in a boat and carried him across the river on back to a little Indian village halfway up the hill. When the money got there they were gone, and there was a Mexican there about half drunk, and he said, "I will take it to them." They gave him the money, and he carried it, and Mr. Baird got back about 1 o'clock in the morning. Del Toro, this man at Hostotipaquilla, the Huerta officer, was notified as soon as possible after the thing occurred and asked to pursue them promptly, and he said he would do it. Three days after Mr. Baird had been in his house here came Del Toro with 50 soldiers—in hot pursuit. He came to El Favor mine and came on down to La Espada mine, where I was, and took dinner and stayed there that night, and next day he went down to the Santiago River and stayed there that night, and the next morning came back to Hostotipaquilla and sent a telegram to the governor, which I have a copy of here, stating that he had restored Mr. Baird safely to his home and had annihilated the band.

Senator SMITH. That was a report made to the governor?

Dr. HUNTER. Yes, sir; that was Gen. del Toro, and he made that report himself.

Senator SMITH. He was for Huerta?

Dr. HUNTER. Gen. del Toro was a Huertista.

Senator SMITH. Who were those who were doing the outrages?

Dr. HUNTER. They were claimed to be Villistas. All the depredations that were committed around there that I know of, were committed by Villistas.

Senator SMITH. Do you know the case of Mr. Harrison?

Dr. HUNTER. Yes, sir.

Senator SMITH. What were the facts as to that?

Dr. HUNTER. We were notified one evening that 17 men had sacked his mine and that he had taken refuge in the tunnel and was hid in there. Two of us from the El Favor mine and two from La Espada and two from another mine down the river tried to rescue him and we rode all night to try to get there before day to surround the town before daylight, and we got there just at daylight, and we surrounded the town and rushed in there with our rifles ready—there were just a few houses in there, just a little

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town, and we rode into the center ready to shoot these fellows, but they were gone. That underground telegraph that they have in Mexico beats everything I ever heard of in my life; they always know everything, and we saw them going up the mountain on the other side of the big gulch. We rescued Mr. Harrison and took him back to the La Espada Mine and then sent him to Guadalajara. That night the two young men, Richards and Kaiser, started down the river and went down, and they were met by a lot of women who asked them not for God's sake to go down there, there are a lot of bandits in your house now. They went around this house, but before they got to where they could do any shooting or see them, they got wind of it in some way and they rushed out of the house, and they divided when they got out in such a hurry, and some went up one side of the mountain and some the other, and it was a bright moonlight night, and they opened fire, and fired and fired, and nobody was hurt at all. The next morning they sent word to these boys that they had only got $20, and they wanted 200, to send it to them, and they sent them word that if they wanted anything down there, they would have to come get it, but they never came.

Senator SMITH. Who was that went down to the rescue of Mr. Baird?

Dr. HUNTER. Who was with me?

Senator SMITH. Yes; the rescue of Mr. Harrison, I mean.

Dr. HUNTER. Mr. Richards and Kaiser and Mr. Nelson and Mr. Holmes and Mr. Kelley and myself. This was a brother of the British consul.

Senator SMITH. Of the British consul?

Dr. HUNTER. On a visit to this mine at this time. That telegram of del Toro's is so characteristic of the Mexican that it was no surprise to me at all. I spent 10 years in Mexico, nearly 10 years, and I think I know them pretty well, and I have yet to see the first living Mexican—I know Carranza, too, and from him down to the veriest peon on a backwoods ranch, I have yet to see the very first one whose oath I would accept.

Senator SMITH. Do you know anything about the attack on that mine down there near Ameca?

Dr. HUNTER. Near Ameca?

Senator SMITH. Yes, sir.

Dr. HUNTER. Well, there is a number of attacks that I do not know personally of, but this one where Mr. Foster——

Senator SMITH. Foster; yes?

Dr. HUNTER. Yes. I can not think of the name of the other man, the two of them were at the mine by themselves, and a road ran right in front of the house like this, and went down that way down into the gulch, and the Mexican passed by and he said, "Ya vienen los bandidos"—that is "Here come the bandits"—and they got their guns quickly and got right up to the windows, and as they made a turn they called to them to halt, and as they did not stop—they called to them in English, and I suppose they did not understand it—they did not stop, and they opened fire on them and they ran away, and after that one of them was shot with buckshot from a shotgun through the side. After that he was down in a little hut down the mountain there, and one of his intimate friends called on him, and

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as he was in bed helpless he took a machete and chopped him to pieces.

Senator SMITH. These depredations that you speak of were all by the Villistas?

Dr. HUNTER. Yes, sir.

Senator SMITH. Do you know anything about the attempted assassination of Mr. Villamin?

Dr. HUNTER. Yes, sir. He told me about it himself. He had been into Ameca and he went back to his mine, and when he got near the house he was passing through a gate and he got down to tighten his saddle, and he had a "mozo" with him, as they call them there, a valet, and when he got down to tighten his saddle he was fired upon by a number of shots; he did not know how many; many of them; and his mule fell dead and he rolled down a little, and he ran down to get his rifle from the mule, and when he got down on the ground upon the mule to get his rifle and while he was getting his rifle they thought he was killed, I guess, and he was one of the best shots in the country, and he took out his rifle and fired at them, and he saw that the bullet hit about 10 or 20 feet away from the fellow, and he said he could not account for it, and he tried to put another bullet in and he could not; it had been bent. Then he went down to his house. That night they tried to dynamite his house; they would tie it to a big rock and roll it down there, but it didn't strike the house.

Senator SMITH. Did you know anything about or do you know anything about the sufferings undergone by Miss Flores and her abduction?

Dr. HUNTER. Not personally, but I was there in Ayutla when Flores took his wife and daughter into Guadalajara for protection, and while I was there they concluded it was a little safer, and he took them back home, and as soon as they went back home there came along a band and robbed the town and took her off to the mountains. She was one of the nicest girls I ever saw.

Senator SMITH. Do you know what became of her afterwards?

Dr. HUNTER. No, sir; I do not know; I did not see her afterwards. They would take them that way and keep them for a week or two until they got tired of them, and then turn them loose.

Senator SMITH. Do you know anything about the killing of the former manager of the El Favor mine?

Dr. HUNTER. Not personally; but it was an undoubted fact that he went down into the quarters on hearing a shot fired and he asked who did the shooting and they told him that this—this man said he did it. "Well," he said, "you do not belong here; you are drunk; I do not want you on this place again and I want you to get out of here," and he took him by the coat and pushed him out the door and gave him a kick, and as he kicked him a bullet went through his head and he fell on the ground, and as he fell a Mexican chopped his head with a machete, and one went up the hill and one went down the hill. I wish you would ask is Mr. John Mathews in the house.

Mr. JACKSON. Mr. John Mathews.

(There was no response to the calling of his name by Mr. Mathews.)

Dr. HUNTER. He saw this and he came down the hill and he got his rifle and he saw a man hiding in a bunch of bushes, and he was also a crack shot, and that Mexican laid down and he hired these

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soldiers—they always had a few soldiers stationed at every mine—and he bribed these soldiers to say that they killed him, and that ended it. The man that killed him got away. They always pretend to pursue, but they never do anything with one of them. I have never known of a man being punished for murder in Mexico in my life. There was a Mexican killed a young man from Texas named Brackenridge, at Ayutla. This Mexican and the American were courting Flores, and that night at the dance this young fellow Brackenridge said to the Mexican—I believe his name is Gave—he said, "Let's go out and fight it out and the one that is left will have the girl." He said, "All right," and the American walked out the door and the Mexican behind him, and as soon as the American stepped on the sidewalk the Mexican plugged him through the body with a bullet and he died two or three days afterwards. Well, that fellow was arrested and put in jail and tried and convicted and sentenced to six years and he was sent up to the penitentiary at Guadalajara, and in six months he was at his home.

Senator SMITH. Do you know anything about the case of Mr. Gates?

Dr. HUNTER. Well, I know him well. Mr. Gates was largely interested in the Carrizo mine, and after everybody had been forced to run out and abandon the mine, he went back out there himself to protect it, and he stayed there by himself, a two-story house with a piazza above and below, and one afternoon he was sitting on his piazza reading, and he heard the bullets whistling around him. He looked out and saw seven Mexicans shooting at him, and he went in the room and brought out his 30.30, and he only had three cartridges, and he shot one off the horse with one and killed the horse with the next, and the other he did not know where it hit. He telephoned over to Sebastian to send men to pursue them, and they sent men over to pursue them, and they found one man almost dead, yet sitting on his horse; he was almost dead, with a bullet through his breast, and they took him and swung him up and left him full of bullets hanging there.

Senator SMITH. How long did these general outrages of which you have been speaking—this conduct, how long did it exist in that community and among those mines which you spoke of, how long was that going on?

Dr. HUNTER. I think about three years, more or less. It commenced soon after the Madero revolution.

Senator SMITH. And kept up until when?

Dr. HUNTER. It kept up until I left, and I came out on that ship *Maria* in 1914.

Senator SMITH. 1914.

Dr. HUNTER. It was going on then; yes; I do not know of a single ranch they had not been robbing and murder committed at and rape and burning and arson and everything of the kind, and every ranch that I knew of nearly had been robbed.

Senator SMITH. Well, did they confine themselves to the Americans alone or to the Mexicans against whom they had any feeling?

Dr. HUNTER. They were just out for pilf, out for robbery; it was easier than to work.

Senator SMITH. What effort was made to prevent that condition by the Government?

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Dr. HUNTER. Well, just about the effort that Del Toro made against those bandits.

Senator SMITH. So you had no security?

Dr. HUNTER. Absolutely no security for anybody; it was not then and it is not now; there is no safety for life or property in Mexico.

Senator SMITH. Do you know of the paymaster being killed there near Culiacan?

Dr. HUNTER. I heard of it only. I know it is a fact, but I did not see it. Now, the day that del Toro—I will tell you this and give you a more clear idea of the prejudice that exists in Mexico to the Americans. There is a deep-dyed hatred that can never be eradicated from the class that exists there now. Old Gen. del Toro the day I went to leave, he took my hands and he took them both in each of his, and he said, "Doctor, I want to ask you a favor." I said, "All right, General, what is it?" He said, "If not for my sake, for God's sake quit riding around this country here by yourself. There are hundreds of men every day on that road that will kill you the first chance they get, if for nothing more than to say, 'I killed a gringo who was not afraid to ride around.'"

Senator SMITH. That, you say, is the feeling that exists yet?

Dr. HUNTER. All over Mexico; yes, sir.

Senator SMITH. I have here a purported list of the passengers that came out. Can you identify that list, or do you know [handing paper to witness]?

Dr. HUNTER. Yes, sir; I have a copy of it right here in my pocket; yes; that is all right.

Senator SMITH. How many in that list do you know; have you counted them?

Dr. HUNTER. Well, it is figured up here, 245.

Senator SMITH. They were passengers, you say, that came out?

Dr. HUNTER. They were the crowd that came out penniless on that steamship *Maria* from Manzanillo.

Senator SMITH. All right, that will do.

Dr. HUNTER. I would like to add this, that I overlooked. At the time these bandits were in the mine, Mr. Hoadly and Mr. Williams went down the other gulch to pursue the bandits, and when they got down under the gulch the men who were employed on the mines shot them down there, and the bandits came back and chopped them all up with machetes, and went up the other way and left.

(The list of passengers on the steamer *Maria* identified by Dr. Hunter, was thereupon read into the record, and is as follows:)

LIST OF PASSENGERS ON GERMAN STEAMER "MARIE" FROM MANZANILLO.

[Many of these persons might be located through the Hotel Cosmopolita, Guadalajara, Mex.—J. H.]

J. W. Overton.
J. H. Gaff.
W. G. Herberling.
C. S. Winther.
P. W. Pickford.
Wm. McKinna.
J. E. Barron.
C. A. Keller and wife.
John Black.
A. H. Jones and wife.
C. T. Berna.
R. H. Leaderly.
A. C. Strauss.
James Seaman.
P. C. Davis.
W. E. Pomeroy.
Mile Farrell, wife and four children.
W. D. Geddes.
E. Esmerld, a Cuban.
J. Schmidt.

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Mrs. A. Kij, and three children, Columbian family.
A. Stoll and wife, German, not refugees.
F. H. Simpson.
W. H. Simpson.
R. M. Stadden, American consul, wife, and two children, Manzanillo, Mex.
E. F. Pourarde, wife, and two children, lately of Colima, Colima, Mex.
Miss Noma Geist, Guadalajara.
Mrs. J. D. Gonzalez, and two children.
T. J. Boyd, wife, and five children.
T. C. Link, wife, and one child.
Jesus Miranda.
Jas. Campbell.
J. W. Wiley.
Mike Minnehan.
S. R. M. Jones.
W. H. Martin.
J. Thomas.
Earnest Fuchs and two children.
Mrs. Ida C. Bahl.
Will Bahl.
W. J. Reed.
F. H. Ferris.
Dr. S. J. Fuller, Guadalajara.
D. M. Pyle.
Dr. William B. Davis, American consul Guadalajara.
Mrs. N. F. Davis.
C. S. Russell, wife, and 2 children.
E. M. Browder.
J. A. Ocheltree.
T. C. Miles.
H. R. Cornforth, druggist, Guadalajara.
W. H. Makay.
Dr. John Hunter.
W. J. Erkenbeck, Guadalajara.
R. N. Lane, wife, and 4 children, Guadalajara .
S. B. Mosby.
A. H. Brewer, wife, and 2 children.
W. H. Hoeing.
Dr. G. R. Gleason, Guadalajara.
G. W. Woodyard.
Edith Teuchs.
R. J. Williams.
A. C. Brady and wife, Guadalajara
C. H. Ott.
W. J. Casey.
H. Pootman and wife.
Mr. and Mrs. R. S. Burdette and 1 child, Guadalajara.
A. R. Downs, Guadalajara.
L. C. Preston and wife, Guadalajara.
J. M. Gonzales, wife, and 2 children.
Mrs. Charlotte Burdette.
H. D. Aves, wife, and child.
Miss Mattie C. Peters.
N. W. Kinrose.
J. W. Gibson, Guadalajara.
F. B. De Gress.
Ira Nice.
Mrs. Mary Martin and daughter.
Miss Terez Marin.
Mr. L. C. Hanna.
Louis J. Harrison, wife, and 3 children.
Mrs. F. Smith.
Henry Grank.
Joseph B. Morris.
Charles Burbank.
Tom Green and wife.
Dane Henderson.
Tom Johnson.
L. H. Tracy.
H. G. Sawyer.
Miss Josephine Murphy.
C. H. Draper.
E. P. Sheldon.
Steward Blackleg and wife.
William French.
Mrs. French.
Dr. J. H. Spence, Guadalajara.
W. B. Arrington, wife, and three children, Guadalajara.
Dr. W. L. Kline, wife, and two children, Guadalajara.
Miss Lola Smith.
Dr. J. W Erkenbeck, wife, and three children, Ameca, Jalisco, Mexico.
Miss Alice Gleason, Guadalajara.
Walter J. Pentland, wife, and two children, manager mine near Guadalajara.
H. L. Percy.
Otto Kraft, wife, and one child.
Louis B. Fritz and wife.
J. C. Galbraith, wife, and three children.
S. S. Gates, lived awhile in Ameca, Jalisco, Mexico.
F. L. Thompson.
C. P. Adams.
Dr. W. J. Riggin.
Joe J. Riggin.
Henry Oneal, wife, and one child.
George Prunel, Guadalajara.
E. R. Downs, wife, and one child, Guadalajara.
H. E. Crawford, manager, and wife, Cinco Minas, Guadalajara. Find this man if possible.
J. H. Kipp, wife, and two children, Guadalajara. This is a man whose life I think I saved.
L. B. Coutler.
Charles Mills and wife.
F. W. Schu.
J. Geddis.
H. Sutterbere, wife, and two children.
Neil Trumbell, Ameca, Jalisco, Mexico.
A. W. Earnest, Guadalajara.
C. Coruthers, wife, and seven children, Guadalajara.
Scott Walace. (Since killed by Mexicans near Guadalajara. He was a conductor for the Southern Pacific Railroad. I heard the other day he had gone back and was killed.)
W. J. Kyle.

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W. B. Budrow, wife, and three children.
J. A. Small.
R. Castanada, wife and child.
W. J. Slattery, Ameca, Jal., Mex.
L. C. Groce, wife and two children, Ameca, Jal., Mex. (Then went to Laredo.)
J. W. Griffin.
D. Garus, wife and two children.
Mrs. Carlos Davis and daughter.
Grace White.
S. E. Gherzi (Italian).
John Wentellero and wife (Italian).
Oetano Weubertto.
Eugenio Ballicendo.
Chas. Newsome.

Senator SMITH. The committee will stand adjourned until about 2.30 this afternoon.

(Thereupon at 12.10 o'clock p. m. the committee recessed until 2.30 o'clock of the same day.)

MONDAY, JANUARY 19, 1920.
2.30 o'clock p. m.

TESTIMONY OF J. G. WARD.

(The witness was sworn by Dan M. Jackson, Esq., clerk of the subcommittee, duly authorized.)

Mr. JACKSON. What is your name?

Mr. WARD. J. G. Ward.

Senator SMITH. Where were you born, Mr. Ward?

Mr. WARD. Born in Red River County, northeast Texas.

Senator SMITH. You are a citizen of the United States?

Mr. WARD. Yes, sir.

Senator SMITH. When did you go to Mexico, if you went?

Mr. WARD. I went the first time in 1912.

Senator SMITH. Where did you go to?

Mr. WARD. Colonia, Mexico.

Senator SMITH. How many Americans were there, or, foreigners were there?

Mr. WARD. There was something like 15 families, I don't know exactly, but something like that many.

Senator SMITH. What happened to those 15 families of yours down there at the time of which you first spoke? What year was it?

Mr. WARD. Well, it was—what do you mean, which year this trouble happened—anything down there?

Senator SMITH. Yes.

Mr. WARD. Well, it was about 1915 before any trouble happened to amount to anything.

Senator SMITH. Please detail to the committee what occurred there, without my asking you specific questions.

Mr. WARD. Well, the first case I know of was two Germans—well, one of them was an American citizen; he is a German by birth—there were two Germans robbed; one of them was hung up and robbed of something like $1,600.

Senator SMITH. What was his name?

Mr. WARD. Ernest Heckle and Philip Rapp.

Mr. JACKSON. How do you spell "Heckel"?

Mr. WARD. I don't know, Judge—he was a German.

Senator SMITH. Where were they when robbed; what was the circumstances under which one was robbed; was he the American citizen?

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Mr. WARD. Yes, sir; they were robbed at night and he never did know who done that, because these fellows that robbed them came across the river—that way we could tell; we tracked them to the river and after that we never could hear of them, or track, or anything.

Senator SMITH. What river?

Mr. WARD. It was the Panuco—I think it was.

Senator SMITH. What was done with the other German, if anything?

Mr. WARD. Well, he was not hung up—I don't think—but he was robbed of some amount of money; I don't know just what it was. That's all the robbing they done in there that night; we don't know whether they were soldiers or not.

Senator SMITH. That was Mr. Heckel and Mr. Rapp?

Mr. WARD. Yes, sir. Well, my first experience was they stole a horse from me. I didn't have any trouble until, well, it was about the first of 1916; just about January. Well, they stole a horse between the times, and one evening there were a couple of fellows came in there and stole two horses. I was gone, and when I came back home some of the boys told me they saw these fellows take the horses off, so I got on the train and went to Tampico to head them off; and I got me an American boy friend of mine there to go down the railroad on horseback, and so he overtook them coming, and got the horses back. I don't know how; he just said he bluffed them and he got them back. And then in a few weeks I saw this same fellow. I caught him in my orchard grove; I had 15 acres. I went down there and talked to him and told him there wasn't any use of him stealing fruit, if he wanted any I would give it to him; it made the other Mexicans want to steal too. He had papers to search our house for guns. He came up and searched our house. I didn't refuse him; I didn't care. He didn't find anything but a shotgun; that didn't bother anything; I was allowed to keep a shotgun. He searched the house all over, and went on off. That was on Sunday, and on Thursday night he came back about 9 o'clock; I didn't go to bed, I was reading, so he wanted me to come out there. I asked him what he wanted, and he said he just wanted to talk to me, so I went and told my wife to bring the light and I would go out on the porch and see what he wanted, and when she brought the light to the door that threw the light on him, and as I went out I picked up my shotgun. He asked me what I was doing with my shotgun and I told him that I thought it was my place and I had a right to protect it, a stranger coming that time of night, and war times and things torn up like they were. Of course that made him mad. We could see the fire off of some of the cigarettes of some more parties down the road a little piece.

Finally I told him to come in, and he started in and got to the line fence, through one of the line fences, and he got to this other fence and I told him he would as well go back, I would rather talk to him in the day time, I wouldn't be doing anything the next morning, for him just to come back. So he didn't say a word, but went on back, got on his horse, and rode on down the road. We went back in the house; there was something like four or five shots fired; I don't know just how many, but there was only one shot hit

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the house that night; hit the roof. They got some fruit, we could tell that; we could hear them down there in the orchard talking. They went on off. That was on Thursday night. Then the coming Monday morning about 2 or 2.30 I heard some talking down in the orchard, and the dog barking——

Senator SMITH. What night was this?

Mr. WARD. Sir?

Senator SMITH. What night are you speaking of now?

Mr. WARD. I am talking about Monday night.

Senator SMITH. On Thursday night was there any shooting?

Mr. WARD. Yes, sir; that was the first time they came. On Monday morning about 2.30 is when they brought this bunch back; they all came piling upon the porch and hollered; the first thing they said—one fellow could speak a little English—and they said, "Come out of there, boy," and they just rushed up against the door and tried to get in, and I wouldn't let them in, kept talking to them. I asked them what they wanted and about all they would say was they wanted in, wanted some money. I worried with them; they kept trying to break in a door. I finally told them if I would give them some money would they go away and leave me alone, and they said they would, so the door wasn't tight, I could get it down from the top a little bit without unlatching it, and I gave them thirty or forty dollars which was there, I didn't know how much. Well, that made them much madder I reckon, because we didn't get the door open. They kept charging against the door, the screen door; broke it all to pieces. I finally told them would they, if I gave them my purse and all the money that was in it, would they go away and leave me alone. I finally gave it to them; they got it the same way; they struck a match and I could tell they were looking at the money. They came back against the door, madder than ever, and during all the time one of them would be working the guns, throwing shells out, and hammer on the house.

I finally told them: I seen I wasn't going to get rid of them that way; I made up my mind to let them in. I told him that if he would send his men all back to the fence I would let him in; you see there was one party doing nearly all of the talking; once in a while another one talking. So we could hear these parties walking off the edge of the porch; then they would tiptoe back, and I just made up my mind then there was something awfully crooked about it, so I just went over to where my wife was; well, I had told her to get under the bed, because she being on top of the bed she would be in line of the shooting; if you are lying on the floor you are not in much danger. I went over there and told her I might as well have it out with them; they wasn't going to leave us alone until I did, and no telling what they would do if they got in, because I knew how they had been treating these Germans. I told them to wait a minute until I got my clothes; that was after I told them they could get in. They was pounding on the doors, and I just unlatched the door, and one started in; just stepped in front of the door, and I had done prepared to fight it out with them, so I just shot him and he just fell backward and screamed. When I made this shot I just stepped on the outside of the door. One started to run, and I shot him, and he fell, and there was a stray shot I made. I shot a sack of oranges. I seen the

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bulk of it, and I shot it, and then I went in and laid down back of the door. I left the door open, but it was dark on the inside. I lay there a few minutes and I heard a fellow shooting right in front of the door, and I finally got up and looked out. I could see just this much of a man's hand sticking out shooting with a six-shooter. I let him shoot a few shots and I managed to get a shot at him, and there wasn't any more shooting right around the house; all the rest of the shooting was a distance, shots back, so my wife stayed there just a few minutes until the shooting ceased. I told my wife we just as well go down to the barn, because they might get a bunch and come back and dynamite the house or to shoot it all to pieces. So we went down to the barn and stayed under the barn the rest of the night. The next morning when we came back to the house this fellow was still on the porch; he was the only fellow I seen there; he was the fellow that had stole my horse and had searched the house. He was supposed to be a Carranza officer, a corporal; that's what he was; he was a Carranza corporal and had these papers to search my house. I don't know; I didn't see but three men, but this nigger claimed there was eight of them.

Senator SMITH. What negro?

Mr. WARD. You see, they robbed a nigger just before they robbed me; just came from his house right over to mine. They beat the man, bruised him up with the guns; I seen where they punched him around; I could see the places on him the next morning where they had punched him around with the guns. They got all the guns he had; I don't know whether they got any money or not, but they got all the money and valuable things; they even got little bits of things, and thread, family pictures, the like of that, and a lot of clothes. He came over there the next morning, and he said this fellow on the porch, he knew him; he said he was the leader of the bunch.

Senator SMITH. Is he the man that had taken your horses?

Mr. WARD. Yes, sir.

Senator SMITH. That the boy had recovered from him?

Mr. WARD. Yes, sir.

Senator SMITH. He is the same man that was at your house those two times that you speak of?

Mr. WARD. Yes, sir.

Senator SMITH. How far did this negro live from you?

Mr. WARD. About half a mile.

Senator SMITH. What other depredations, if any, if you know, were committed against the family of that negro?

Mr. WARD. This nigger, his wife, I heard they both was, the next morning they mistreated him and they had also mistreated his wife two or three times.

Senator SMIH. You mean they ravished her?

Mr. WARD. Yes, sir.

Senator SMITH. What was his name, do you remember?

Mr. WARD. I don't just remember; I was just trying to think of that fellow's name, because he hadn't been there but a short time, and I never did have much dealings with him. I knew him at the time, all right.

Senator SMITH. Do you know what his nationality was? I don't means as to blood, but where did he come from?

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Mr. WARD. He came from the United States, because hadn't been there but just a short time; he came from up here. There was a wealthy negro went down there and bought this property and stayed there awhile, then he got some of his poor friends to go down there; and that is how it was; I don't know his name.

Senator SMITH. Now, after this had occurred at the negro's house and they had come to your house as you have described and you did the shooting as you have described it, what else, if anything, happened to you in the matter and the balance of those people living up there—you American people?

Mr. WARD. Well, there hadn't nothing happened at that time; we hadn't had any trouble at all. Of course, they would take some corn. Altogether I think I lost 4 or 5 acres of corn that was in the shock. The Huerta men started to get it, then the Carranza men finished it up. You see, the Huerta men came out there and camped. That was after the first battle in Tampico. Huerta came out there; his bunch came out there and camped at Colonia two or three days, and during the time they taken this stuff, this corn, and we never had no serious trouble with them. Well, the next day or two the Carranza people came in there and ran them back; then they finished the corn.

Senator SMITH. What became of that colony near down there?

Mr. WARD. I don't know of anyone there now except these two German families.

Senator SMITH. Do you know how they are getting along?

Mr. WARD. I have heard from them several times; they seem to be getting along all right; I mean they haven't had any real serious trouble; they claim they take stuff away from them; they have been robbed of their household furniture, too, since that.

Senator SMITH. You finally came out?

Mr. WARD. Yes, sir; after this trouble I went to the American consul, and he advised me to come out and stay out six months or a year, and so I hid out over across the lake 10 days until I caught an oil boat, and I got on an oil boat and came out, and I have not been back since.

Senator SMITH. Where did you land?

Mr. WARD. In Texas City.

Senator SMITH. That is all; much obliged.

TESTIMONY OF DR. ODIA M. JACKS.

(The witness was duly sworn by Dan M. Jackson, Esq., clerk of the subcommittee, duly authorized.)

Senator SMITH. What is your name?

Dr. JACKS. Dr. Odia M. Jacks.

Senator SMITH. Where were you born?

Dr. JACKS. I was born in east Tennessee, in the old Cherokee Nation.

Senator SMITH. Where did you live before—did you ever go to Mexico?

Dr. JACKS. Yes, sir.

Senator SMITH. Where did you live in the United States just before going to Mexico?

Dr. JACKS. I lived at Fort Worth and owned a farm out on Bear Creek, out of Fort Worth, right opposite Smithville.

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Senator SMITH. You went from there to Texas?
Dr. JACKS. From there to Mexico.
Senator SMITH. I mean, from there to Mexico?
Dr. JACKS. Yes, sir.
Senator SMITH. When?
Dr. JACKS. In '95.
Senator SMITH. In '95?
Dr. JACKS. Yes, sir 1905—I will get it right directly—in 1905.
Senator SMITH. Who was then President?
Dr. JACKS. How is that? Who was President of Mexico?
Senator SMITH. Yes.
Dr. JACKS. Diaz.
Senator SMITH. How long did you live there—from 1905 all during that time up until the revolution?
Dr. JACKS. I was there from that time up until a year ago last August. I came out two or three times when we were told to come out, but would always go back again.
Senator SMITH. What was your experience down there as to the loss of property, if you had it—what property you had and when it was lost, how, and who did it—who took it?
Dr. JACKS. Well, it would take a mighty long time to tell my experience. I practiced in the army there for pretty near three years, nearly straight, and my experiences are very wide. I had a written copy of my trouble, with everything I had burned out in February a year ago, and everything I had in the world was burned, with the exception of what I had on my back.
Senator SMITH. Was that at your place in Mexico then?
Dr. JACKS. No, sir. I had come out then. That was here at Pine Bluff, Ark.: that is where I am from now.
Senator SMITH. Your family is there?
Dr. JACKS. My family is there; yes, sir.
Senator SMITH. Now, what losses did you sustain there, or those colonists—was there a colony up there?
Dr. JACKS. Yes, sir; I was in the Blalock colony at the time Mr. Blalock was present at that time.
Senator SMITH. Then you know something about the killing of Mr. Gorham and Mr. Pilgrim?
Dr. JACKS. Well, I only know of Mr. Gorham through his son; he is the agent for my property there now; he wrote me about it, how he was killed, etc., and that is all; I meant to bring the letter with me, but my wife and daughter were in the country—15 miles in the country, and are there now—and I hadn't time to get it. Now, in regard to Mr. Pilgrim's killing, I held the inquest over his body, with a Mexican juror, and my memory is very clear even to now in regard to that.
Senator SMITH. Well, what about it; what did the inquest show?
Dr. JACKS. Well, he was murdered on a little creek there that we call Rock Creek—or Mud Creek—and he had went hunting for to see if he couldn't kill a deer; it was during a dry spell of weather, and the deer would have a certain place, where they had the water at; and he went down to get him a deer, and he was shot, and shot from the back—just one bullet; it penetrated him, and it seemed to have been a dead shot; he didn't seem to have struggled a particle.

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Senator SMITH. Was anything done about it? Tell any other facts.

Dr. JACKS. Why, there hadn't been any—the body, through Mr. Humphrey, had been partially examined before they got me there; the Mexican court sent word for the Mexicans to take me over there and hold the inquest; that was how came me to go there—it was in closer to Mr. Humphrey and Mr. Hitt, and they had been to the body before I got there, but when I got there the body had not been moved, no more than they had partially turned it to look at it; but they didn't understand it, even the wound or anything of the kind when I got to the body, so when I got there I turned the body about—it was badly decomposed—it was a bad old turn; he had been lying there several days; it was warm weather, and he was bloated very badly; and I found he was shot, I think, through the left shoulder blade and ranged and come out like that [illustrating], seemed to have penetrated——

Mr. JACKSON. Near the right nipple?

Dr. JACKS. Yes, sir; I think now it was very near the shoulder blade and came out from the front——

Senator SMITH. From the front?

Dr. JACKS. From the front, he was shot behind.

Senator SMITH. Was there any evidence showing who committed that crime?

Dr. JACKS. Well, we were pretty certain who did it, but no effort was made to try to catch anybody at all; they made a bluff of holding a little court, I had to go before it, I was alone—and afterwards Mr. Humphrey and a couple of women—the women, if they could have examined them, they knew exactly who killed him, they knew all about it, but they wouldn't let them be examined at all. I think, during the time, I think Mr. Humphrey liked to have lost his life; one of the officers offered to shoot him because he had interfered with some violence that they were doing upon one—upon the women, and one of the women seemed to have been Mr. Humphrey's cook or housekeeper, something of that kind, and knew of the trouble and knew who killed him and all about it, but he never would let them in, wouldn't examine them at all; and after this everything was simply squashed, they never did anything more about it.

Senator SMITH. I am not asking you who it was or anything, but do you know the man who was suspicioned?

Dr. JACKS. Yes; but I couldn't tell you—I don't know the name of him.

Senator SMITH. I am not asking you about telling your knowledge of who he was, but do you know the man who did it?

Dr. JACKS. Yes, sir.

Senator SMITH. Have you seen that man since the killing?

Dr. JACKS. If so, I don't know it.

Senator SMITH. You do not know?

Dr. JACKS. You see, the country is just like that, in a stir-up, and I was arrested and held a prisoner quite a while myself.

Senator SMITH. What for?

Dr. JACKS. Well, I reckon, for nothing. I don't know what else. I am sure I wasn't guilty.

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Senator SMITH. You had violated no law?

Dr. JACKS. I don't know how; but I think I have got friends here—that I had not violated anything—just simply because my name is Jacks, and they call me a Yaqui Indian, and claimed I was from Sonora and a spy from the Villa army.

Senator SMITH. Who was doing the ordering?

Dr. JACKS. Lopez De Lara, a general of the Carranza people—Gen. De Lara was the man.

Senator SMITH. He was there during this time of the trouble that you speak of?

Dr. JACKS. Well, he came in right away afterwards—his people with him.

Senator SMITH. Were there any depredations following his advent—after he got there?

Dr. JACKS. Well, there were so many I couldn't tell you; I can't even recall—there was just one thing after another, all the time, gentlemen; you couldn't recall—part of the time it was dodging in the brush, dodging bullets, hiding out in your pasture—anywhere you could get to to keep from encountering them.

Senator SMITH. What became of that colony—did I ask you that?

Dr. JACKS. Well, the president of the colony is here—he wasn't at that time; at that time, I think Mr. Ingram was made president of the colony, I imagine, I don't know—my mind is not just clear on that; but that was the colony—Blalock Colony—and there may be three or four men down there, but I came out a year and a half ago; simply came out because I had nothing to stay there for. They got all my cattle, horses, and I had a good stock of drugs, and they made me practice three or four months with them, but I got ahead of this Lopez De Lara. I was held a prisoner 19 days and court-martialed and ordered shot by Lopez De Lara. Mr. Blalock was one of the Americans who helped to rescue me, through the American consul and Mexican officers at Tampico. They knew it was not so, but they wouldn't let me bring a witness at all; they were just bound to shoot me—they did shoot at me. These was all Carranza people now—no one else at all—these was no bandits at all, it was Carranza soldiers. I met a little bunch coming in to Xicotencatl—I had had a great deal of sickness, and I went to Tampico with my servants—always carry servants there, a mozo, and we were riding and met a bunch of about 25, and they hailed me. I didn't answer them, and they opened fire on me but didn't hit me, and I rode right up to them. Well, one of the men got a beating; that is, with a machete—that was a bad beating—one of these long knives, and, of course, if it had hit me that wouldn't have saved me—wouldn't have done me any good—but they didn't; that is about all there is about it. Now, in regards to being held. John Rose was also being held—one of the men who was being held with me. He was a cattle dealer, John Rose was; he and I were together—you have heard his name here. He had started to Tampico with me. Well, then, my last experience there—well, then, an experience before that was with this Rodriguez; he was one of the main men that got our stock.

Senator SMITH. Now, whom did Rodriguez follow?

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Dr. JACKS. Rodrigo Flores, I just didn't finish his name—Rodrigo Flores, he was the man that did it, he did more dirt than anybody ever did there in the colony, done more theft.

Senator SMITH. Whom was he supposed to be with?

Dr. JACKS. Carranza, he was a lieutenant colonel of Carranza, and his father was a general. I got personally acquainted with him later on, he said has was a friend of mine, but he didn't fail to send his men after my horses just the same, and take them, and he took a lot of my cattle and butchered them. Now, this man Rodrigo was the man that they said robbed so many of the other men and stood them up and shot them; but I wasn't there then; I heard Mr. Frasier give a little of that testimony this morning, and I read Mr. Blalock's a week ago, and I see he gave some of it—so they were there and knew more about it than I did.

Senator SMITH. What is your blood?

Dr. JACKS. I am a Cherokee Indian.

Senator SMITH. Is that all?

Dr. JACKS. No; that is not all I know; I couldn't tell it all this evening—my mind, I couldn't begin to tell it all.

Senator SMITH. What the committee is trying to get at now is the conditions there.

Dr. JACKS. Well, the conditions—I was there where Mr. Randle—of course, I have heard that, like anyone—when Randle was butchered and chopped up with a machete—with knives, and threw in the well; I was there also when this man was killed in the mountains—oh, Walter Hitt's brother-in-law—what is it? Brooks. I was there then at the same time and was doctoring in the colony all the time, and it is a hard matter for a man just to sketch out a thing, you know, and give the straight details about everything that has happened, and there are so many things to tell that it is enough to make any sane man go crazy—especially as I had a wife and six children—five little girls and a little boy—and not a dollar left in the world, or anything of the kind, there wasn't anything left, they had taken every dollar in the world I possessed.

Senator SMITH. They treated the balance of them left pretty much the same way?

Dr. JACKS. Yes, sir; but they never did punch me with a gun, although I was shot at and ordered shot.

Senator SMITH. I mean, as to property losses?

Dr. JACKS. Property losses? I learned that Rodrigo was the man that took part of my horses; I was very sick, had partial paralysis, and they brought me to El Paso to have an operation performed, during the time my main stock was taken; but my last stock, I wrote in to Mr. Hanson—he wrote me and I wrote him. I sent him the list at the time, 25 horses, and one of them a $500 horse, and mares that I paid $50 apiece for in Texas and shipped down there—I had a fine horse ranch and a fine cow ranch, and they got everything, nothing there, they didn't leave me a thing on earth to support my family with, or anything else. That, of course, just to kinder sketch along, as you know.

Now, in regards to Mr. Gorham, I couldn't give you any details any more than his son wrote me—his son is my agent there now, looking after my property and so on: I have a farm.

Senator SMITH. Have you anything but your land?

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Dr. JACKS. That is all—well, I had an old gray horse that they gave me back to practice medicine with; I furnished my own drugs until I didn't have anything to doctor with, and they sent me off to get drugs, and I didn't come back any more; I went to Tampico and got my passport and came out. This man, now, was Aniceto Mariana, that was the only one—the only bandit that ever did me any harm at all really—Aniceto Mariana, he was a lieutenant colonel that was there in charge under Mateo Hernandez, they skinned us of the last cattle at all, they taken everybody's.

Now, there is another thing—a man that had stole Mr. Blalock's coat came and called me out of my house; I walked right out to the edge of the gallery, and I had got about to where we was—I thought they would get me before I got out there; I didn't mind getting shot; I had got casehardened. He says, "Come out here." I says, "Tell me what you want to say to me." He says, "You come out here or I will shoot you." I says, "Shoot," and he made an oath and says, "I will come in and hang you;" he had two or three other men with him, and I said, "Come ahead," and he opened my yard gate and ran his horse in right up until his horse's head could touch me, with his rope in his hand; he said, "Why didn't you come to me when I called you?" And I said, "Why didn't you come here if you wanted to talk to me?" And he says, "I will hang you." I says, "Well, hang me, then, you have got your rope," I said, "hang me." And so he finally turned to a Mexican woman, who was my housekeeper. He says, "Is this your husband?" She said, "Yes." Well, there was no truth in that—my wife was in this country, in the United States—she was afraid they were going to kill me, and she thought that would help me out, by her saying that, and she said "Yes," and he burst out in a good laugh and said, "You had better quit him, he will kill you," and just turned and rode out and said good bye, and that was all then; and he had on Mr. Blalock's cow coat then, a leather coat they wear in picking up cattle; and he was then with the Villistas.

Senator SMITH. Well, what was that? I don't want to interrupt you; go ahead.

Dr. JACKS. Well, I have just got so much in my head, it is hard for me——

Senator SMITH. Well, from the time that this trouble commenced up to the time you left there——

Dr. JACKS. Yes; I was going to speak about the taking of stock there.

Senator SMITH. Well, I understand. I mean as to the general conditions, as to peace and order in that country?

Dr. JACKS. Oh, peace and order? Everything that was done was done by the Carranza army; they did more harm, three to one, than any of the other fellows ever did do, after they ever came in there; if we had any friend at all that offered us any friendship, it was the Villa people that did it; that was so, it was proved to me; it seemed most any of them would take anything they wanted, and I never would run out; I stayed as long as there was anything to stay for; and, besides, when they were fixing to rob me—I had a little money planted among the trees in my yard on the place, $1,600—and at the time they gave me a paper—a passport, they said—they had Col. Mariana come out and buy drugs; they found out that the

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Federals were coming up there right away, and, as the captain had always promised me—for a favor I did him—that if he ever knew anything was coming up against me he would let me know, and he came up there an said, "The lieutenant colonel wants to know if you will send him $200 in silver for $200 in gold."

Well, the first thing that popped into my head was how did they know I had any money? And they had sent a man the day before that to borrow money, $250; his name was John Medlin—you have heard his name called here at different times—John was doing a little business for them, buying a little whisky and tobacco and such stuff, trying to save his own stock through this, and did for a while. Well, I told him, "I am sorry I haven't got it." John told me he would leave the money with the general, and did do it, down in the valley with the Federals. Just before he got through—the captain—and left, he says, "I will tell you, Doctor, we will be here early tomorrow morning." That was the main thing he wanted to tell me and to impress upon me, that they were going to rob me the next morning. And just as soon as he told me, I got right out of there, and I saw he made emphasis enough to it to make it a friendly word, for he wanted to tell me right away; so he left, and I told my servant to get ready to go out, to come to my house at 4 o'clock the next morning, and he came there, and by sunup the next morning I was getting across the mountains. I was out of his lines—I knew that was earlier than he would start; I went to Mr. Taylor's and stopped and took breakfast with Mr. Taylor, right on the Federal lines, right where they almost daresn't go, and fed my horses and drank some coffee and left. Taylor says, "Don't leave Mariana until I come," he says; "if my passport will come I will go on with you." The American consul wrote me that my passport was there, so I knew I wasn't going back there. The next morning, when Taylor came there, he said, "Doctor, you just barely escaped," he said; "there were three armed men there after you, but you had gone; you were hardly out of sight when they came there." I did have $300 American gold with me at the time, and the way I escaped with it I put it in my morral and hung it to the horn of my saddle, and put it in another larger one filled with corn, so that if they would touch it they would feel nothing but the corn, not the money; and sure enough, we ran into some of them, and the leader touched the corn and said, "What have you got there?" I said, "Corn." "What do you want with corn?" "Feed my horse with." That was all that let me out with my money. As for the cattle, I was there and knew that they had taken everybody's cattle; Mr. Blalock had some cattle left there. And every now and then there was a brand or mark of Mr. Smith's, or Mr. Tom Young's, or somebody's; but what could you say?

Every once in a while you could see your stock going off with them. During the time they left me three or four milk cows and a jersey bull to plow the crop; I had my Mexicans put on the horse collar—they stole my horse away, big large stallion, I wouldn't have taken $500 for him—they put that on the bull and put the harness on him and plowed and finished laying by the crop as best they could, so they left me that, and made me pay $8 a head on them to let John Medlin run across the mountain and bring them back whisky and tobacco and matches, and such stuff as I didn't have

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and had to get within the Federal lines, or Xicotencatl, which is in what is known as the federal district.

Senator SMITH. Well, what is known as the federal district at this time?

Dr. JACKS. Well, the federals were in one town and the rebels had run them out of our community, that was this fellow I spoke of—this Aniceto Mariana—there were about four thousand of them, and Zapatistas, and they stayed on us three months—during that time, three months, came in on the 24th day of April, and turned me loose on the 23d day of July—I was a prisoner that long; still I could go anywhere, but dare not cross the line.

Senator SMITH. It was sure death?

Dr. JACKS. They would shoot me sure, but they allowed me a little more privilege than they did some of the others, because they wanted me to practice medicine with them and doctor their sick.

Senator SMITH. All right. That is all, Doctor. Did you ever prepare a list of your damages?

Dr. JACKS. I sent it here; I sent it to Mr. Hanson.

Senator SMITH. You identify the things you sent to Mr. Hanson?

Dr. JACKS. Yes, sir.

Senator SMITH. As listed on your list?

Dr. JACKS. Yes, sir. And I knew every man nearly that was in there and got this stuff; the federals got most of my horses and stuff, the rebels didn't get anything hardly, the federals got it; and the very night they caught me, on the 23d of April, and had that fight, the Federals got three horses that night, only left me an old stallion and three or four horses, and the rebels got them, and finally returned to me one horse over for me to practice medicine, because I wouldn't walk for them, and they sent that back to me.

Senator SMITH. All right.

We have no other witnesses that we can examine this afternoon, except those that we wish to examine in executive session, so you will leave us in possession of the room, that we may take their testimony that way.

(The room was cleared of everyone except the committee, its attachés, and the official reporters, and the committee went into executive session.)

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INVESTIGATION OF MEXICAN AFFAIRS.

TUESDAY, JANUARY 20, 1920.

SUBCOMMITTEE OF THE COMMITTEE ON FOREIGN RELATIONS,
UNITED STATES SENATE.

The subcommittee met pursuant to the call of the chairman, at 10.50 o'clock a. m., in the pink room of the Gunter Hotel, in San Antonio, Tex., Senator Marcus A. Smith presiding.

Present: Senator Smith and Dan M. Jackson, Esq., clerk of the subcommittee.

TESTIMONY OF MRS. F. M. PARMELEE.

(The witness was duly sworn by Dan M. Jackson, Esq., clerk of the subcommittee, duly authorized thereto.)

Mr. JACKSON. You are Mrs. F. M. Parmelee?

Mrs. PARMELEE. Yes, sir.

Senator SMITH. Mrs. Parmelee, you were the wife of Mr. G. M. Parmelee?

Mrs. PARMELEE. Yes, sir.

Senator SMITH. What became of Mr. Parmelee?

Mrs. PARMELEE. He was killed by bandits, I presume, on December 29, 1917.

Senator SMITH. Nineteen and when?

Mrs. PARMELEE. 1917.

Senator SMITH. 1917. Where?

Mrs. PARMELEE. Between Mercedes and Llano Grande.

Senator SMITH. In the United States?

Mrs. PARMELEE. Yes, sir.

Senator SMITH. How far from the border?

Mrs. PARMELEE. I think it was about 6 miles from the border, wasn't it?

Senator SMITH. Can you give the details of that killing—the circumstances?

Mrs. PARMELEE. Well, I can give from hearsay, not positive. Two weeks before that my husband came home and he said, "We have had warnings from across the river that some of the bandits are coming over and rob the pay roll and kill all the men at Llano Grande," where there is a sugar mill. Well, two weeks after that my husband went in with another man, Charley Greenslade, to get the pay roll at Mercedes, and the people at Mercedes said they might need guards, and it was a very cold day, and you know how Mexioans are with the cold. My husband said that he did not think there was any danger on account of this extreme cold weather; that they would not molest them in any way. Well, when they started out they started at about 1.30. When they got out about 6 miles, I believe, from town, there

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was a closed gate, and there was a rock against it on the other side, closing the gate. My husband was in a Ford, and he said he never stopped for a closed gate with a Ford and they pushed right on through the gate, and just after they pushed through the gate—it was a plan of the Mexicans, we presume—when the car stopped to shoot both of them, and get the pay roll. Well, they went right through. Of course, they had to slow up quite a bit. Just as they got to the other side of the gate the Mexicans fired; they fired about six shots. One killed my husband instantly. He was driving, and just as soon as he fell back, Charley Greenslade took the wheel, and about 10 minutes after that they met some rangers, and a posse was formed right then to follow these men. Now, I do not know how many were killed; they said they killed several, and I heard Capt. Spencer Crump, he was talking to me, and he said that he led the posse, and he was positive that some of the men that were in the posse are still living on the other side of the river, and that they have had trouble with them since. Capt. Spencer Crump could possibly tell you that.

Senator SMITH. You mean that they were in the posse pursuing them?

Mrs. PARMELEE. No; they were in the band of bandits—with the bandits.

Senator SMITH. They are over on the other side?

Mrs. PARMELEE. Yes, sir; they have given them trouble.

Senator SMITH. Now, was your husband supposed to have money to pay the men?

Mrs. PARMELEE. My husband had the pay roll for the sugar mill.

Senator SMITH. I mean, did he have the money?

Mrs. PARMELEE. Yes; he had the money.

Senator SMITH. Pay roll means a list of names; but he had the money to pay the men?

Mrs. PARMELEE. Yes, sir; he had the cash.

Senator SMITH. Did he have it with him?

Mrs. PARMELEE. Yes.

Senator SMITH. Did they get the money from him?

Mrs. PARMELEE. No.

Senator SMITH. Why?

Mrs. PARMELEE. Because, Mr. Greenslade, as soon as my husband was shot, put on all the speed that they had and they shot several times; he was inflicted several times with flesh wounds, but got away before the Mexicans could get him.

Senator SMITH. Then immediately afterwards, you say, a posse was formed to pursue the Mexicans. Where did they go, across the river?

Mrs. PARMELEE. Well, I do not know just where they went. I heard they chased them to the river; I heard they chased them to the river and killed some of them, and some of them got in boats and went across the river, and I heard that one or two were killed on the way across.

Senator SMITH. Where was your husband raised?

Mrs. PARMELEE. In Elyria, Ohio.

Senator SMITH. He was a citizen of the United States?

Mrs. PARMELEE. Yes.

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Senator SMITH. When did he move down to Texas?

Mrs. PARMELEE. In 1911, I believe.

Senator SMITH. What pay roll was that you referred to; what were the men doing that were getting paid with this money?

Mrs. PARMELEE. The Llano Grande Sugar Mill; I believe that is the name.

Senator SMITH. Where was that located?

Mrs. PARMELEE. At Llano Grande; that is between Mercedes and the border.

Senator SMITH. Did your husband leave you anything, or are you dependent on your own labor for your living?

Mrs. PARMELEE. No; I am dependent on my own labor. He left me something, but not enough to make me financially independent.

Senator SMITH. That will do, I think.

TESTIMONY OF JOHN R. BLOCKER.

(The witness was duly sworn by Dan M. Jackson, Esq., clerk of the subcommittee, duly authorized thereto.)

Senator SMITH. Where were you born?

Mr. BLOCKER. Edgefield District, S. C.

Senator SMITH. You are an American citizen?

Mr. BLOCKER. Yes, sir.

Senator SMITH. Never renounced your allegiance?

Mr. BLOCKER. No, sir.

Senator SMITH. Mr. Blocker, did you ever live in Mexico?

Mr. BLOCKER. Yes, sir; I have had a ranch there about 20 years.

Senator SMITH. Whereabouts?

Mr. BLOCKER. In the State of Coahuila.

Senator SMITH. Coahuila?

Mr. BLOCKER. Yes, sir; about 150 miles right west of Eagle Pass and 130 miles right west of Del Rio.

Senator SMITH. Then, it was in the State of President Carranza?

Mr. BLOCKER. Yes, sir.

Senator SMITH. Was he governor of Coahuila once?

Mr. BLOCKER. Yes, sir.

Senator SMITH. Now give as succinctly as you can a brief history of your treatment there and the resulting loss that you have sustained, if any, and what you have gotten back, if you have gotten anything.

Mr. BLOCKER. Well, we started that ranch in 1898.

Senator SMITH. "We" started the ranch; was anyone connected with you in it?

Mr. BLOCKER. Yes, sir; it is a stock company under the laws of Mexico; we organized under the laws of Mexico.

Senator SMITH. Purchased that land or rented it?

Mr. BLOCKER. We first rented, and then purchased it all. We first rented when we went there in 1898; we leased 125,000 acres, and about two years after that we bought 125,000 acres, and the year after that we bought another 125,000 acres, and in 1908 or 1909 we bought 237,000 acres of the Madero company. Our first year's work there was perfectly satisfactory; everything worked nice; we were treated well, and during Diaz's administration nobody was ever treated any nicer than we were.

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Senator SMITH. When did your troubles commence?

Mr. BLOCKER. After the Madero revolution commenced. Our troubles commenced after Madero was killed. We never had any trouble until after Madero was killed, but when he was killed then our troubles commenced.

Senator SMITH. What were these troubles?

Mr. BLOCKER. Well, we were bothered by roving bands; some called Carrancistas, some Villistas, some Orozquistas, and they just molested us so that we could not stay in there. Our horses were taken from us. The first raid made on us was by Gen. Caraveo, and he came there with about 900 men, and 1,000 or 1,200 horses, and took a hundred and tweny-odd horses from our ranch, 10 big work-mules, killed 40 hogs, all the chickens that we had on the ranch, and killed the milch cows and calves, and killed all the beef they wanted and stayed there four or five days and pulled out.

Senator SMITH. Who was he?

Mr. BLOCKER. He was supposed to be a man in Orozco's division of rebels.

Senator SMITH. Which Orozco; Orozco himself?

Mr. BLOCKER. Orozco himself.

Senator SMITH. That was the first raid?

Mr. BLOCKER. Yes, sir.

Senator SMITH. You say this continued constantly?

Mr. BLOCKER. Yes, sir; this continued constantly from that time on. In the seven or eight years we lost something like 350 or 400 saddle horses, and on this same raid of this Orozco we lost about $2,000 or $3,000 worth of provisions out of our commissary; they didn't leave enough for the women and children to eat.

Senator SMITH. These depredations kept up until the whole place was denuded?

Mr. BLOCKER. Yes, sir. We commenced moving out, getting out what we could, and selling at a sacrifice and any other way to get out to save what we could from the wreck.

Senator SMITH. What do you estimate the losses of these depredations to be reasonably worth?

Mr. BLOCKER. Well, sir, you couldn't hardly figure that.

Senator SMITH. Have you ever made any claim yet?

Mr. BLOCKER. No, sir; we have never made any claim yet. If we had not been molested, the ranch was bringing us a clear profit of revenue of half a million dollars—to-day the ranch would have been paying us over half a million dollars income.

Senator SMITH. If you had been left alone as you were under the Diaz administration?

Mr. BLOCKER. Yes, sir.

Senator SMITH. Did you have any visits from the Carrancista soldiers?

Mr. BLOCKER. Yes, sir; lots of them.

Senator SMITH. Was that while Carranza was supposed to be in control—while he was President?

Mr. BLOCKER. Yes, sir.

Senator SMITH. When did that occur and to what extent were those depredations carried on?

Mr. BLOCKER. Well, they would come there and pretend—say that they wanted some horses, and we would tell them that we didn't

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have any horses, and they would just go to the lot and get out as many horses as they pleased and take them off, and take your provisions and kill your beef or just whatever they pleased.

Senator SMITH. Did they ever pay you anything for it?

Mr. BLOCKER. Not a cent on earth.

Senator SMITH. All through these depredations what federal authority, if any, attempted to or seemed to try to prevent these depredations?

Mr. BLOCKER. They didn't any of them try to prevent them.

Senator SMITH. And when the alleged rebels were there?

Mr. BLOCKER. I paid $2,000 for a man by the name of Delamain. I paid $2,000 ransom for that man, and it was to a man that was supposed to be a major in Carranza's army.

Senator SMITH. Carranza's army?

Mr. BLOCKER. Carranza's army; yes, sir.

Senator SMITH. You paid for him?

Mr. BLOCKER. I gave it to Mr. Delamain to pay. Mr. Delamain was our foreman on the ranch. We had seven or eight men run out of there, and we had to just keep changing them, and a nephew of mine, J. M. Blocker, he was run out of there three times. And a man by the name of Dawson, he was run out twice, Edgar Dawson; and a fellow by the name of Cull Bruner was run out.

Senator SMITH. Now were they run out by the assaults of these men?

Mr. BLOCKER. Yes, sir. They would come out there, and these men would hear they were coming, and they would get uneasy and leave. This Blocker, a nephew of mine, he was warned to leave. There was a Mexican came to him and told him that one of the Carranza men at Boquillas, the little town of Boquillas, was going to send over there the next day and get him, so he pulled out the night before they got there.

Senator SMITH. What are the present conditions in that particular State, if you know, as to preservation of law and order?

Mr. BLOCKER. There was no order.

Senator SMITH. There was none?

Mr. BLOCKER. No, sir; the rifle was the law. This fellow Musquiz that took this money from Dalamain he was at my ranch there one day talking, and I was talking to him and I said, "You should not do this; there is no law for acting this way," and he tapped his rifle and said, "Here is the law." That was the Mauser-rifle law.

Senator SMITH. And that you found to be a fact?

Mr. BLOCKER. Yes, sir.

Senator SMITH. As to the present conditions in Coahuila, do you know?

Mr. BLOCKER. I do not know much about the present conditions in Coahuila. I know that two years ago Mr. Weathersby and Russel put three or four thousand head of cattle on this Piedra Blanca ranch of ours, and I know they lost a thousand of them out of the 3,000. They were driven off and butchered, and they found where they were butchered and they caught the men and carried them to Saltillo and they were turned loose after they were captured and carried there; they were turned loose and had nothing done to them. They found the beef in the camp and the brands of the cattle, and nothing was done.

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Senator SMITH. And that was the condition when you left?

Mr. BLOCKER. Yes, sir. I know we have not got a cent of revenue off the ranch in five years; it is half a million acres of land lying idle.

Senator SMITH. That will do, I think.

Mr. JACKSON. Thank you, Mr. Blocker.

Senator SMITH. We are short of witnesses this morning and we will have to go into executive session for a little bit, and after that I think we will adjourn for the day. We will get through this morning. We will go into executive session now.

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INVESTIGATION OF MEXICAN AFFAIRS.

WEDNESDAY, JANUARY 21, 1920.

UNITED STATES SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON FOREIGN RELATIONS.

The subcommittee met pursuant to the call of the chairman at 10.30 o'clock a. m. in the Pink Room of the Gunter Hotel, in San Antonio, Tex., Senator Marcus A. Smith presiding.

Present: Senator Smith and Dan M. Jackson, Esq., clerk of the subcommittee.

TESTIMONY OF W. B. HINKLY.

(The witness was duly sworn by Dan M. Jackson, Esq., clerk of the subcommittee, duly authorized thereto.)

Senator SMITH. Where were you born?

Mr. HINKLY. Luverne, Minn.

Senator SMITH. You are an American citizen?

Mr. HINKLY. Yes, sir.

Senator SMITH. Where have you lived recently, the last several years?

Mr. HINKLY. I lived for 12 years in the Rio Grande Valley.

Senator SMITH. Where?

Mr. HINKLY. In the Rio Grande Valley, San Benito, Tex.

Senator SMITH. How far were you from the international line, the river?

Mr. HINKLY. San Benito is about 8 miles from the river.

Senator SMITH. Do you know anything of any raids across the river or depredations on the American homes or property on this side of the river?

Mr. HINKLY. Yes, sir.

Senator SMITH. Will you please tell of those raids, and especially affecting you and your property?

Mr. HINKLY. Well, the first few years I was down here, up until about five years ago—four years ago, about the time that the Madero revolution came up—while Diaz was in power in Mexico everything was very peaceful on the river—we had no trouble with stealing or anything; but ever since the revolution started in Mexico, ever since then, we have had a good deal of stealing and, of course, we had a good deal of bandit trouble about three years ago, and there has been a good deal of stealing ever since then.

Senator SMITH. On what Mexican state does Texas border?

Mr. HINKLY. Tamaulipas is the Mexican state opposite San Benito, our country.

Senator SMITH. Who was supposed to have control in Mexico over that side at that time?

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Mr. HINKLY. Well, Carranza has had control over it for the last several years.

Senator SMITH. Now, since Carranza has been in control of it, how about the depredations down there?

Mr. HINKLY. Well, up to the time of the revolution there never were any depredations there. During the Diaz administration I lived on the bank of the river myself—right on the bank of the river—for about two years, and during that time there was nothing stolen, and we had no trouble then.

Senator SMITH. Well, when did it commence?

Mr. HINKLY. It commenced when the revolution started in Mexico, after Diaz was overthrown, and then more stealing since Carranza has been in power than any other time.

Senator SMITH. What property did you have down there?

Mr. HINKLY. Well, I owned about five or six different farms; I had a couple of dairies—the principal interests that I have there—and I am in the manufacturing business—I run a wholesale ice-cream business there.

Senator SMITH. What is your nearest town?

Mr. HINKLY. I live in San Benito.

Senator SMITH. Was that the point where you did your selling and trading, with your dairy that you said you had?

Mr. HINKLY. Yes, sir; I was also cashier of the bank there for five years.

Senator SMITH. State what you know of those raids along that border?

Mr. HINKLY. The raids along the border, what they called the bandit raids, I do not remember the exact date when they started, but I believe it was about three years ago. The people around San Benito, there, got news that the Mexican were organizing to make raids on the people; the first fight they had was at a ranch about 12 miles from San Benito where they heard that there was a bunch of bandits organizing, and the posse went out there and found them. I think there were one or two Mexicans killed and two officers wounded, I believe, in that first fight. After that the raids occurred at intervals of about every two weeks—that is, the fights right in that locality, about every two weeks.

Senator SMITH. How far do you live from Brownsville?

Mr. HINKLY. It is 21 miles from Brownsville.

Senator SMITH. Up the river?

Mr. HINKLY. Yes, sir.

Senator SMITH. What was the amount of the settlement on the American side along that river in your vicinity?

Mr. HINKLY. At what time?

Senator SMITH. At the time of which you speak; any time before they were driven out, if they were driven out; I have not got to that yet.

Mr. HINKLY. It had had a very rapid growth—our locality had, at the time I went there in 1907 there was no town at San Benito at all, and they didn't even have a post office, and just before the bandit raid started, I think, San Benito had a population of five or six thousand people; the country was prosperous, all the farmers around there were prosperous, and the community was growing

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very rapidly. As soon as the bandit raids started the more timid ones commenced to move at once, and inside of three months, I think, all the tenant farmers had left and a good many people there left their own farms, and others went up north or came to town and stayed until the bandit troubles were over. Some of them returned and some did not return.

Senator SMITH. How often would those incursions from Mexico occur?

Mr. HINKLY. Well, my observations of it was that there was a big raid pulled off about every two weeks.

Senator SMITH. At some point along the border there?

Mr. HINKLY. Yes, sir.

Senator SMITH. Where would these bandits or the lawless people come from?

Mr. HINKLY. Nearly all of them were traced across the river, come across over the river and were driven back to the river, traced across the river.

Senator SMITH. Do you know of any on this side of the river, Mexicans, for instance, joining in those raids, or do you know?

Mr. HINKLY. The first fight that was had near San Benito, they rounded up some men out at this ranch about 12 miles from San Benito, and that was the only bunch that I know of having been found that was organized on this side. Now, whether they were operating with people from the other side I do not know; but after that fight everything crossed from the other side of the river, there was nothing organized on this side.

Senator SMITH. I understand you, then, that there was a reign of terror on our side of the river?

Mr. HINKLY. Yes, sir.

Senator SMITH. On account of these invasions?

Mr. HINKLY. Yes, sir; everybody was afraid to stay out in the country. There was not anybody stayed in the country during those bandit raids. All the farms laid out. There were no farms under cultivation there that year.

Senator SMITH. About how far did that extend up and down the river—that leaving their homes to get out of danger?

Mr. HINKLY. That was more or less general, I think, all through the Rio Grande Valley; what they call the Lower Rio Grande Valley; that is, the part that is in cultivation. In our particular locality I think it was about as bad as any other place in the valley.

Senator SMITH. What number of families would you estimate, at a rough guess, had to leave the country and leave their homes on account of those raids?

Mr. HINKLY. It would undoubtedly run into the hundreds of families.

Senator SMITH. Many of them have not yet returned?

Mr. HINKLY. Yes; I would say a great many of them have not yet returned; however, I think that probably more than half of them have returned.

Senator SMITH. As to the depredations on the movable property in that county—cattle, horses, and crops and stores—if there were any, whether or not this property was ever taken, or whether it was left there intact?

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Mr. HINKLY. No, sir; there were—there was a good deal of stealing right around San Benito. I do not think there was very many raids in which property was taken, but it was mostly all taken in thefts—stealing.

Senator SMITH. By common stealing?

Mr. HINKLY. Yes, sir.

Senator SMITH. What were those raids for, does it seem; to hurt some one?

Mr. HINKLY. Yes, sir; those raids were conducted for the purpose of killing.

Senator SMITH. Any robbing?

Mr. HINKLY. No, sir. Well, they robbed some stores, but it seems they wanted to kill people; that was the main thing.

Senator SMITH. Do you know anything about the size of the bands that would come across the river?

Mr. HINKLY. Well, they ranged all the way from 15 to 20 up to 100 or more.

Senator SMITH. How long did this continue?

Mr. HINKLY. It continued for about a year.

Senator SMITH. What is the condition there now—any better or worse?

Mr. HINKLY. Well, we have had no raids since the soldiers were located down there in big bands, large quantities.

Senator SMITH. When were the soldiers located there?

Mr. HINKLY. The soldiers—the militia, it took them about four months to get down there from the time the raids started.

Senator SMITH. You mean the State troops?

Mr. HINKLY. Yes, sir.

Senator SMITH. Any Federal troops there; any United States troops?

Mr. HINKLY. Yes, sir; the Federal troops were the first ones to get there; we had the Twenty-sixth Infantry; they were the first ones there.

Senator SMITH. After the establishment of those soldiers there, a greater quiet, I understand you to say, prevailed?

Mr. HINKLY. Yes, sir. There were about 60,000 soldiers moved into that territory within a radius of about 60 miles, and after they came down everything soon quieted down.

Senator SMITH. I think that is all.

TESTIMONY OF E. L. TURNER.

(The witness was duly sworn by Dan M. Jackson, Esq., clerk of the subcommittee, duly authorized thereto.)

Senator SMITH. Where were you born?

Mr. TURNER. DeWitt County, Tex.

Senator SMITH. You are a citizen of the United States?

Mr. TURNER. Yes, sir.

Senator SMITH. Do you know anything about the raids along the border? Where do you live in Texas now, or have for the last several years?

Mr. TURNER. For the last two years I have been living in San Antonio.

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Senator SMITH. Where were you at the time of those raids down there; do you know anything about that?

Mr. TURNER. Well, I went down there in 1911, and the first three years were very quiet and peaceful, and after the first three years till 1915, when I left there, why, we were disturbed by the bandits, and the last four months we had to go in bunches to keep our families together and stay and guard, not knowing whether they would or would not come in, so we was expecting them any time.

Senator SMITH. How long did that condition prevail there where you were guarding families in bunches?

Mr. TURNER. About four months before I left there.

Senator SMITH. How long after that before any troops came down to the assistance of the people there?

Mr. TURNER. Well, that I could not say just when the troops went there.

Senator SMITH. Why?

Mr. TURNER. Well, I left there and came up to Corpus Christi, and I seen troops going in, but I was not present to see where they were putting them.

Senator SMITH. Where was your place?

Mr. TURNER. One mile below Santa Maria, on the interurban line.

Senator SMITH. What did you do down there?

Mr. TURNER. I had a truck farm and hogs.

Senator SMITH. Where was your point of dealing?

Mr. TURNER. Mercedes.

Senator SMITH. Are you still living there?

Mr. TURNER. No, sir.

Senator SMITH. Why did you leave there?

Mr. TURNER. Well, because we could not stay up and guard all night and make a living to support our families.

Senator SMITH. Did you feel, or not, whether your families were safe?

Mr. TURNER. Did not feel like they were safe.

Senator SMITH. And on that account——

Mr. TURNER. On that account we left there.

Senator SMITH. Did that condition generally prevail as long as your experience extended?

Mr. TURNER. Well, so far as I know there were several families left out of the valley before I did, and at the same time I did and after I did; people I know.

Senator SMITH. What were your losses down there; your individual losses?

Mr. TURNER. Well, I could not replace to-day my losses for $3,000; what my loss was when I left there.

Senator SMITH. What occasioned the losses?

Mr. TURNER. Well, you mean what were the losses?

Senator SMITH. What caused it; how come you to lose it?

Mr. TURNER. On account of the Mexican bandits, the Mexican trouble, we were actually afraid to stay there, and we had to get up and come off and leave there.

Senator SMITH. That is all.

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TESTIMONY OF HENRY FORRES.

(The witness was duly sworn by Dan M. Jackson, Esq., clerk of the subcommittee, duly authorized thereto.)

Senator SMITH. Where have you lived, Mr. Forres, for the last 20 years?

Mr. FORRES. In Mexico.

Senator SMITH. Are you an American citizen?

Mr. FORRES. Yes, sir.

Senator SMITH. Where were you born?

Mr. FORRES. Fayetteville, Tex.

Senator SMITH. Your experience in Mexico for the last 20 years, where have you lived?

Mr. FORRES. I have been all over the Republic; principally in Coahuila, Nuevo Leon, and Tamaulipas.

Senator SMITH. What has been your business in Mexico?

Mr. FORRES. In leasing lands for oil and coal.

Senator SMITH. Connected with any corporation?

Mr. FORRES. At times, but for the last several years acting independently.

Senator SMITH. You are not representing any of the alleged big interests?

Mr. FORRES. No, sir.

Senator SMITH. Acting entirely on your own——

Mr. FORRES. Absolutely.

Senator SMITH. Line of business?

Mr. FORRES. Getting leases and then getting friends of mine to buy them.

Senator SMITH. And you would just obtain a lease and then obtain a purchaser for it?

Mr. FORRES. Either that or tie it up under an option and then get some party with a little money to go in and finance it.

Senator SMITH. Had you ever lived at Matamoros?

Mr. FORRES. I am living at Matamoros now.

Senator SMITH. At this time?

Mr. FORRES. Yes, sir.

Senator SMITH. What were the conditions in Mexico up to the time of the revolution as to peace and order?

Mr. FORRES. Up to the time of the revolution a person could have gone into any part of the Republic, either day or night, without an escort and not be bothered, and have slept with the doors of his house open and no one would have entered at all.

Senator SMITH. And the country at that time was as safe as any country?

Mr. FORRES. Absolutely.

Senator SMITH. When did that peaceful condition change?

Mr. FORRES. As soon as Madero started his revolution.

Senator SMITH. Will you please detail the experiences you have had down there in the development of that newer condition of things?

Mr. FORRES. Well, it has been so voluminous, because I have been right in between the different bunches of revolutionists ever since Madero started his revolution.

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Senator SMITH. What members of revolutionists as known by the heads of them?

Mr. FORRES. Well, it is pretty hard to determine, because the Mexican is a very ambitious kind of a fellow, and if one has eight or ten men operating independently, he calls himself a general. At one time, in Piedras Negras, right opposite Eagle Pass, 15 generals had a banquet, and I do not think any one of those generals, at any one time, had ever had over 40 men under his command.

Senator SMITH. Then you have been in the country where the Villistas are?

Mr. FORRES. The Villistas, the Carrancistas, the Maderistas, the Zapatistas, the Felicistas, and the Palaecistas, and every "partido" in the country.

Senator SMITH. Every shade of revolution?

Mr. FORRES. Yes, sir.

Senator SMITH. Do you know anything about an article known as 27 in the new constitution that they have adopted since Carranza's reign?

Mr. FORRES. Article 27 was devised by Luis Cabrera, and I think it is the most ingenious piece of legislation for selling the subsoil that was ever invented by the mind of man.

Senator SMITH. What was the effect of that article 27 on the American interests in Mexico?

Mr. FORRES. It virtually means the confiscation of all of the oil rights of the Republic.

Senator SMITH. How did it affect your particular business?

Mr. FORRES. It absolutely wipes us out if it is sustained, because all of the leases that I have gotten have been since that time.

Senator SMITH. What was your personal experience within the last week or so in Mexico in this regard?

Mr. FORRES. I went to Mexico City about two weeks ago in order to get some denouncements removed that some parties in Brownsville, American citizens all, with the exception of a party by the name of Pacheco, a merchant, and the American citizens were Fernandez, a banker; Cole, a lawyer; Friedman, a German-Jewish money lender; Dr. Dixon, recently discharged from the United States Army; a man by the name of Walker; and another by the name of Craig; they had denounced about a thousand acres right in the heart of a lease of 50,000 acres that some clients of mine at Wichita Falls were drilling on, had the machinery there on the ground; and I went to Mexico City with a petition from the owners—I have here a copy of one of the petitions taken to Mexico City, signed by the owners, protesting against these people going in and denouncing their property—subsoiling their property; they stole it, deliberately went in and made a survey of this property, and then went to Mexico City and denounced it, and some of these same owners are among the Carrancistas. So when I got to Mexico City I tried to see Salinas, and I would go to his office in the morning——

Senator SMITH. Who is Salinas?

Mr. FORRES. Salinas is the subsecretary of the Department of Industria y Comercio—Industry and Commerce—in Mexico City; but he was having a conference every day with Carranza, because

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he was going East to see Secretary Lansing, and at the same time to see some financiers in New York to tell them so far as any anti-legislation was concerned that everything was going to be removed. The reason of that was that every officeholder in Mexico City of any prominence is supporting one or the other of the candidates—either Bonillas or Pablo Gonzales—and trying to get the money power at least to back one of the two as against Obregon, the independent candidate and an anti-Carrancista. But I never got to see Salinas. I went there first, I was there repeatedly, and repeatedly, and repeatedly; and after I saw his chief, a man by the name of Shiaffano—I had to wait two days to see him, because those fellows all have kind of reception days that they receive and other than that you do not see them—and after seeing this fellow, the first thing he said—he had read all of my documents, because I had left them there two or three weeks, some of them, and some of them I had taken there with me in the last few days, on my trip down. He said, "Why, you people have absolutely no claim on these properties whatever, because your contracts were all made after May, 1917."

Senator SMITH. That was the date of this article?

Mr. FORRES. The date of the constitution—the date of article 27; yes, sir. I told him, "Well, but under the ruling of your last Congress this article was to be revised." He said, "Yes, but that was just a project"; that the article 27 was effective. I then asked him whether or not a party could deliberately go in a man's private property and denounce the subsoil of the property without getting the consent of the owners, telling him that the owners of the land had acquired their title from the King of Spain and had been in continuous, actual, adverse, peaceable possession for over 100 years. He said that the oil and all the derivatives of the oil belonged to the nation, and that there was no controversy on that, inasmuch as oil was a substance, it was a national property and that if I wanted to I could go out to Guadalupe, a suburb of Mexico City, and denounce the property so far as the subsoil was concerned. Well, that got me up in the air; I had never agreed to his rulings. I finally asked him—I said, "Well, can we denounce some of my property, go in and work it?" He said, "No; you have allowed too much time to elapse." We only denounced our property in June last year; that is, we registered our titles in June, and these other people denounced the land in August of last year; but I had no rights and these other people went in and denounced.

Senator SMITH. Well, as a real fact, they stood about in the same attitude as to the right of location as you stood?

Mr. FORRES. Yes, sir.

Senator SMITH. That is, they had no superior right in the world?

Mr. FORRES. They had no right whatever.

Senator SMITH. And yet they were allowed to denounce the very property that you were in possession of, and they refused to let you denounce it?

Mr. FORRES. Absolutely. He asked me—he said, "I do not see how you get your titles, your leases, registered, because you first have to get permission of the governor of the State before you can register a lease." I told him—I said, "We have letters from Gov. Osuna authorizing us to register these leases." He said that Gov. Osuna

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had no right to grant this authority. My leases were registered and protocolized two months before these other people went in and made their denouncement, so a couple of days after, when they found I was going to the States, they came to me and told me that if I wanted to get this fixed, they could adjudicate this matter, but I told them that there was nothing to adjust.

Senator SMITH. Adjudicate your rights, how?

Mr. FORRES. Well, this man Santaella is one of the chiefs of the department of petroleum, and when Shiaffano saw that I would not abide by his decision, they "passed the buck" to this other man; and, inasmuch as I would not see him, his brother, being a lawyer, sent me word that if I would go to see him—Santaella's brother said that he would fix everything and get me anything that I might want. I told them that they were just two days too late; in other words, if I had gone and slipped them a piece of money, I could have gotten these denouncements removed. That is the reason I did not get anything in Mexico—because these other people from Brownsville had beat me to it and slipped them a little piece of change.

Senator SMITH. So you got there too late?

Mr. FORRES. A little too late.

Senator SMITH. Did he say, or did anyone say, what hope of success has one appealing for property that has been treated as yours has; for instance, what relief has he in the courts?

Mr. FORRES. Absolutely none whatever; none whatever. If the native himself has no recourse, what recourse has a foreigner?

Senator SMITH. Then, as I understand, they do pretty much as they please, open and aboveboard, and just tell you you can not have the right?

Mr. FORRES. Well, that is the trouble in that country. They send a bunch of emissaries to the States, some of whom are Americans themselves, telling us how they love the American people and what they are going to do for us there, and inviting us there, and the door is open for capital; but among themselves they tell altogether a different sort of story—they do not need the foreign capital; they can develop their resources with their own money.

Senator SMITH. Have you noticed in their laws, or can you see rather, how under article 27, carried out in the spirit of its execution or passage, what chance do you see of any American holding oil, coal, or other mineral lands?

Mr. FORRES. He has absolutely no chance whatever—absolutely no chance whatever.

Senator SMITH. Article 27, then, is a confiscation?

Mr. FORRES. Absolutely; absolutely.

Senator SMITH. What remuneration do they purpose to give?

Mr. FORRES. There is no stipulation; and even if they agreed to give a remuneration, you would have to get it before you believed that you would get it.

Senator SMITH. In the meantime the forfeiture would go on?

Mr. FORRES. Absolutely.

Senator SMITH. Were you at Cuatro Cienegas when Mr. Carranza recently visited his old home?

Mr. FORRES. I was there.

Senator SMITH. The report came out that he went back in peace to his home, I believe. Were you there?

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Mr. FORRES. Yes, sir; the Mexico City papers, all of the morning papers are Government organs, all of them controlled by the Carrancistas, and they came out in glaring headlines telling how peaceful things were in the Republic. They said, in order to illustrate, here is our president going up into the wilds of Coahuila to visit his ranches with only 400 men. He had 7,000 men more scattered all over that country.

Senator SMITH. Did you notice his train in which he came?

Mr. FORRES. Yes, sir.

Senator SMITH. How was that equipped?

Mr. FORRES. Sumptuously; they had everything in the world that a person could think of wanting, and in the little towns all that a person could see on every hand was destitution.

Senator SMITH. As to the armor or soldiers on the train——

Mr. FORRES. Well, the soldiers—the armored trains would either go in front or behind the presidential train. The presidential train was the train that Don Porifirio had during his régime.

Senator SMITH. Then the peaceful trip, you say, going into the wilds of the desert with 400 soldiers turned out to be fully 7,000?

Mr. FORRES. At least 7,000. He had every general from all over the Republic there with him.

Senator SMITH. That is, that was under his control?

Mr. FORRES. That was under his control. Why, if he had gone up to Cuatro Cienegas with 400 men and Villa had known it, he would have taken him into the wilds of Sonora and held him as a hostage.

Senator SMITH. At least, he did not attempt to go there?

Mr. FORRES. No; not with 400 men; and he won't go anywhere with 400 men.

Senator SMITH. What chances do you see, looking over the country as much as you have; are the conditions improving down there?

Mr. FORRES. Oh, my ———! It is absolutely unsafe for a person to travel in any part of the Republic. For instance, their best train, the train that they boast of, is a train running from Laredo to Mexico City. This train gets into Saltillo about 8.30 at night and is held there until about 3.30 the next morning, because they are afraid to run from Saltillo to San Luis on account of the rebels blowing up the trains, and the train coming north from Mexico City is held at San Luis from 8 o'clock until 3.30 in the morning on account of fear of the rebels blowing it up going north.

Senator SMITH. The conditions then, you say, are just as bad as ever, as far as peace is concerned? These outrages that are committed there, are they confined to anybody or is it just recklessness, lawlessness, and disorder against everybody?

Mr. FORRES. No; there is not a feeling of animosity in general against foreigners, but of the Carrancistas against the Americans. You have not heard of any Germans being killed in the west part of the district in the Palaez neighborhood, nor any English; whenever you hear of some one being butchered, it is one of the Americans working for some one of the companies there. Six weeks ago I was all through the Tuxpam region. I went through the oil fields and got photographs to substantiate it. I happened to be at this little place of Agua Dulce, where Bowles and Rooney were killed, a couple of weeks ago. I was there about six weeks ago walking all over that country.

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Senator SMITH. Who has charge of it, or control of it?

Mr. FORRES. The Carrancistas. There are no followers of Palaez in that district at all. The followers of Palaez are farther west along the line of the State of Hidalgo.

Senator SMITH. How did you go through without any molestation?

Mr. FORRES. God sometimes does wonderful things.

Senator SMITH. You think it was a sort of providence?

Mr. FORRES. Yes, sir. I would not take the trip again, not through that section.

Senator SMITH. From your knowledge of the Republic there, and your long experience, what authority has Carranza over the Republic of Mexico?

Mr. FORRES. Mr. Carranza has control of the cities, but the country around the cities he does not.

Senator SMITH. How do you account for this; do the outsiders have any necessity for taking possession of the cities?

Mr. FORRES. No; the outsiders, as a general rule, live off of the tribute that the ranch owners give them; the majority of the ranch owners and farmers are all in sympathy with the rebels.

Senator SMITH. Do you know President Carranza personally?

Mr. FORRES. I have known of Carranza for a great many years. I have never had any personal desire to know him, because I know of him. I have never asked favors of the Carrancistas either directly or indirectly, nor any other régime.

Senator SMITH. You have your reasons for that?

Mr. FORRES. Yes, sir. I do not want to be under any obligations to any faction in Mexico.

Senator SMITH. Do you know Mr. Gonzales—Gen. Gonzales?

Mr. FORRES. Gen. Pablo Gonzales? We all know of him around Monclova; yes.

Senator SMITH. How about him as to keeping order?

Mr. FORRES. It is impossible; it means the same old crowd, in the same old place. If either Pablo Gonzales or Bonillas are elected, it means the rule of Carranza. When I was at Cuatro Cienegas we knew two months before anything was given out that Bonillas was the candidate selected by Carranza.

Senator SMITH. He was the personal representative of the Carranza government at Washington?

Mr. FORRES. Yes, sir; ambassador.

Senator SMITH. Ambassador there. How is Obregon; is he also a candidate for the Presidency?

Mr. FORRES. He is; yes, sir.

Senator SMITH. Who is he supposed to represent; is he a Carrancista?

Mr. FORRES. He was; he was the prime reason of Carranza being President of the Republic—he and Villa—but after he got seated he treated them as he has done everyone else; he kicked him out. Obregon has now launched an independent campaign. He has never said anything against Carranza. The only thing Carranza can say against him is now he is affiliated with the rebels.

Senator SMITH. Running against Carranza?

Mr. FORRES. Yes.

Senator SMITH. Have you a passport to go back to Mexico?

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Mr. FORRES. Yes, sir.

Senator SMITH. Do you expect at some time to go back?

Mr. FORRES. It would be impossible for me to go back.

Senator SMITH. Why?

Mr. FORRES. Well, I noticed in the paper the other day that the Mexican consul had received instructions from Medina, at Mexico City, not to visé any passports.

Senator SMITH. To whom?

Mr. FORRES. To everyone testifying before your committee.

Senator SMITH. Anyone who comes before this committee of the United States Senate?

Mr. FORRES. Yes, sir.

Senator SMITH. To give evidence?

Mr. FORRES. Here is my passport with the visés [handing passport to Senator Smith].

Senator SMITH. Anyone coming before this committee, that they will not visé their passports to return to Mexico?

Mr. FORRES. Yes, sir.

Senator SMITH. In order to return, this passport that I have in my hand, of yours, I notice the number is 38933—in order to return to Mexico you would have to have this viséd by the consul here, I understand?

Mr. FORRES. Yes; either here or at Brownsville.

Senator SMITH. Or wherever you leave the country?

Mr. FORRES. Wherever I happen to leave; yes, sir.

Senator SMITH. Have you presented that for visé?

Mr. FORRES. No, sir; because they know me all along the border and they have never asked me; in fact, they have not viséd my passport for several months, because I am so well known.

Senator SMITH. Are you going to present this?

Mr. FORRES. Oh, I will have to, because I have all of my maps and one thing and another in Matamoros, that I will want to get to take to Brownsville.

Senator SMITH. So your interests there, what you have left in Mexico, you have to go back to take care of, as I understand?

Mr. FORRES. No; I can only stand on the American side and look across.

Senator SMITH. I mean, that is your purpose—to try to get back?

Mr. FORRES. Yes, sir; to protect my interests.

Senator SMITH. Well, will you let me know, or the committee, the effect of the refusal to?

Mr. FORRES. With pleasure; yes, sir.

Senator SMITH. Will you let us know the reasons assigned for not doing it?

Mr. FORRES. Yes, sir.

Senator SMITH. Have you ever taken any pictures of the conditions down there?

Mr. FORRES. Yes, sir; I have got a number of photographs of the different parts of the country, but I gave the most of my pictures away; I have the original films with me.

Senator SMITH. You have the original films?

Mr. FORRES. Yes, sir.

Senator SMITH. Have you any objection to our using them?

Mr. FORRES. Absolutely none; they are at your disposal.

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Senator SMITH. All right; I would like to have them after they are developed. Have you ever seen the order of which you speak prohibiting the visé of passports of anyone who appeared before this committee to testify?

Mr. FORRES. I read in the paper of yesterday that order; I have not seen it; no, sir.

Senator SMITH. I have what purports to be a translation of this telegram.

Mr. FORRES. I would not be surprised, because I saw a gist of it in the Mexico papers before leaving Mexico.

Senator SMITH. Signed by the subsecretary of relations, Hilario Medina?

Mr. FORRES. Yes, sir.

Senator SMITH. I believe I will just ask the secretary to insert this order in the record. I want it proved as being a correct translation by some one who knows it is, and then I will have it inserted.

Mr. FORRES. I want to kind of give you an idea of the way things are down in Mexico City. There is an American by the name of Ryan who has been down there about five weeks. He doesn't speak a word of the language; he has organized what he calls the Ryan-Soteel Oil Corporation. Now, this party is there, he has been in Mexico City about five weeks, he doesn't speak a word of the language, and he has organized a corporation with Pablo Gonzales and this man Soteel, and has annual passes for him and his party to ride all over the Republic, and has been made assistant oil inspector for the Mexican Government. Now, he and a great many other Americans who have some mercenary interests will send out wonderful reports about how peaceable conditions are in Mexico. Among others, there are some people living in San Antonio who have private franchises for running special trains in the Republic, but the most pernicious of all is a little organ published in Mexico City by a man by the name of George F. Weeks, circulated freely all over the Nation, telling how peaceable things are all over Mexico, and some party who is ignorant of the conditions in general will buy this little magazine, and on the strength of it go down into Mexico and maybe lose his life. He is in the employ of the Mexican Government, of the Carranza government, and has been for a number of years.

Senator SMITH. The committee has seen evidences of an extensive propaganda as to peace and quiet through the Republic of Mexico, and, as you say, it is through these instrumentalities that you have mentioned that most of that is published.

Mr. FORRES. To give you an illustration, yesterday evening, leaving Brownsville, the Brownsville Herald, the afternoon paper, came out and said that this meeting of yourselves should be suppressed inasmuch as Mr. Cabrera had invited Senator Fall to go into Mexico and look conditions over, and he didn't see fit, etc., and so on, but you can absolutely believe this, that whenever you see an American or any American organ supporting the Carrancistas they are getting something out of it.

Senator SMITH. What is the name of that Weeks publication?

Mr. FORRES. The Mexican News Bureau.

Senator SMITH. That is published in the City of Mexico?

Mr. FORRES. Mexico City; yes, sir.

Senator SMITH. Who is Weeks?

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Mr. FORRES. Why, Weeks at one time had a little candelilla factory at Cuatro Cienegas.

Senator SMITH. What nationality is he?

Mr. FORRES. He is an American.

Senator SMITH. Who is connected with this man Weeks in that publication, do you know?

Mr. FORRES. He has two or three other Americans, but the proposition is financed directly by the Carrancistas.

Senator SMITH. Do you know of any other American in connection with Weeks in the publication?

Mr. FORRES. No, sir; I do not.

Senator SMITH. In the preparation of the paper, etc.?

Mr. FORRES. No; because I never went around his plant. His plant was right near the hotel where I stopped; I stopped at the Cosmos, and his little plant was right near it. Now, another thing, you hear a great many of the missionaries and the preachers, emissaries of the different religious interests that go into Mexico and come out and tell you what a wonderful man Mr. Carranza is.

Senator SMITH. What hope does the American see, the man experienced in Mexican affairs; what hope do you see of final peace?

Mr. FORRES. There is no peace unless we determine upon some man that is actively against the Carrancistas and support him to go in there and organize all of the rebel bands and make peace in the country.

Senator SMITH. That will do, unless you have something else.

Mr. FORRES. No; I have not.

Mr. JACKSON. Will you be kind enough to leave these negatives?

Mr. FORRES. Yes, sir.

Mr. JACKSON. I will have them printed and return them to you.

Mr. FORRES. That is perfectly all right, sir.

TESTIMONY OF ARTHUR GRAHAM.

(The witness was sworn by Dan M. Jackson, Esq., clerk of the subcommittee, duly authorized.)

Mr. JACKSON. State your name.

Mr. GRAHAM. Arthur Graham.

Senator SMITH. I hand you, Mr. Graham, a copy of a telegram, in Spanish, signed by Hilario Medina, touching the viséing of passports into Mexico, especially against any that have appeared before this committee as a witness. I will ask you whether or not this is the paper?

Mr. GRAHAM. That is the paper.

Senator SMITH. Where did you get it?

Mr. GRAHAM. Consul De la Mata gave it to me.

Senator SMITH. As an order coming to him?

Mr. GRAHAM. Yes, sir.

Senator SMITH. And who translated it, if you know?

Mr. GRAHAM. It was translated by one of the men in our office first, and later by one of your committee's attachés.

Senator SMITH. I will find out who that is; that is all.

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TESTIMONY OF CAPT. GEORGE E. HYDE.

(The witness was sworn by Dan M. Jackson, Esq., clerk of the subcommittee, duly authorized.)

Senator SMITH. Capt. Hyde, you understand the Mexican language?

Capt. HYDE. Yes, sir.

Senator SMITH. Are you a competent translator?

Capt. HYDE. I consider myself so; yes, sir.

Senator SMITH. Do you know whether you are or not?

Capt. HYDE. Yes, sir; I am.

Senator SMITH. You are a competent translator of the Spanish, as I understand it?

Capt. HYDE. Yes, sir.

Senator SMITH. Will you look at the article just shown you, just identified by the witness last on the stand, and say whether the copy there is a correct translation of this Spanish telegram?

Capt. HYDE. I have already compared them, sir, and it is a true translation.

Senator SMITH. Now, I will ask that to be put in the record.

(The telegram identified by the witness, Arthur Graham, and ordered by the committee to be incorporated into the record, is as follows:)

[Translation of telegram.]

MEXICO, D. F., *January 17, 1920.*

MEXICAN CONSUL, *San Antonio, Tex.:*

Some Mexicans have been called to make declarations before the so-called committee of investigation of the Senate of the United States and whether due to their ignorance of what the procedure of this committee signifies for Mexico, or because of any other motives, they have appeared to make them. Wherefore the department of foreign relations believes it opportune to call to the attention of all Mexicans residing in the United States, and of the public in general, the true character of this committee and what it signifies for Mexico from the international point of view.

The so-called committee of investigation of the Senate has a tendency to set itself up as a tribunal for the purpose of passing judgment on the Mexican Republic as a free and independent nation and respecting questions which are the exclusive function of its internal government. Neither the Mexican Government nor any public official nor any private individual resident in the territory of the Republic or outside of it may nor should recognize the jurisdiction of authority on the part of this committee to carry on this sort of investigation, in view of the fact that the Mexican Republic in international law can not be judged in any form and the responsibility for the acts of its governments or of their representatives are subject to other rules than those which govern the trial of a private individual. These rules can not be the same as those which involve an entire people whose majesty, whose honor, and whose dignity should be scrupulously respected by all the other peoples of the earth.

The so-called investigating committee, furthermore, with its procedure, offers the opportunity for acts which are in reality hostile to a country which like Mexico maintains relations of friendship with the United States and it is a cause of offense to the good name and the good reputation of Mexico, since in view of the facilities which this committee offers to the enemies of the Republic they incessantly calumniate her and offend her prestige and moral dignity.

No Mexican worthy of the name should lend himself in contributing to these acts which are hostile and whose tendency is to prepare the public opinion of the United States for certain propositions which no one ignores. As a matter of fact, the interventionist elements in that country have decided upon the formation of this investigating committee of the Senate and its object is to take advantage of the series of observations which are collected by this committee against Mexico in order to make notorious the necessity of intervening in our interior affairs.

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The Mexicans who have assisted with their declarations to bolster this information which in time will serve as a base for the commission of an attack against the Republic unquestionably commit the crime of treason to the fatherland and it is the desire of this department to warn them publicly so that in the future they may not appear before this committee which has no power at its disposal to oblige a foreign citizen to testify against his own country and in the remote event that a Mexican should be subject to annoyance for having refused to testify before a tribunal whose power is not recognized by any law of the United States nor any principle of international law, he should suffer these annoyances rather than fail in the first duty which he has, to respect and cause the good name of his country to be respected in any part of the world.

It is easy to understand from another point of view that this committee is not inspired by any feeling of friendship toward Mexico, but that, on the contrary, its acts are dictated by an open hostility to the present laws and institutions of our country.

The Mexican who knowing that this committee is functioning in this way and who in spite of that fact assists it in carrying out its work, contributes notably to the development of prejudices which may arise from the obstinacy of this committee in delving into questions which are the exclusive functions of the interior government of Mexico and the determination of the government to not permit the good name of the Republic to be tarnished.

Bearing the above in mind, you are directed to bring to the attention of the Mexican colony residing in that place through such means as you may consider efficacious the following instructions:

"Every Mexican who receives an order to appear before the so-called committee of investigation of the American Senate to testify about facts bearing on Mexico should answer refusing to recognize the authority or jurisdiction of that committee to have knowledge of affairs bearing on the Mexican Republic, and should flatly refuse to give such testimony."

You will advise the Mexican consul of the locality or our embassy in Washington of the aforesaid order, so that the consuls or the embassy may carry out the instructions which they have received from this department. Should any Mexican be arrested or suffer any other penalty for refusing to testify, he should avail himself of all resources authorized by the laws of the United States to oppose it and should make an immediate report of his arrest or the annoyance, should he suffer from this cause, to the Mexican consul or to the embassy, in order that the corresponding representations may be made through diplomatic channels.

Mexican law considers that the crime of treason is committed, article 1071 of the Penal Code, "He who makes an attack against the independence of the Mexican Republic, its sovereignty, its liberty, or the integrity of its territory, if the offender is a Mexican by birth or by naturalization." And article 1090 of the same code provides: "The Mexican who by acts not authorized nor approved by the Government provokes a foreign war against Mexico or causes it to be declared or exposes the Mexicans to suffer annoyances and acts of retaliation, shall be punished by four years' imprisonment."

HILARIO MEDINA,
Subsecretary of Relations.

(Thereupon, at 11.45 o'clock a. m., the committee recessed until 2.30 o'clock p. m. of the same day.)

AFTER RECESS.

Senator SMITH. The committee finds that with the witnesses now to be examined we can facilitate matters by ascertaining what they know this evening and proceeding with our work to-morrow morning, with the hope of expediting it that way.

In the meantime I would like before the final adjournment to order expunged from the record as taken the statements touching the personal morality of the President of the Republic of Mexico, and also his general, Gonzales, because that is not the purpose of the com-

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mittee to go into any such question, and it was not in response to any question presented to the witness. I would ask also of the press about giving any notoriety to it, out of the common harmony between nations ostensibly at peace, that no publicity be given to the mere declamations of the witness along the lines that I have suggested. If the reporters will be good enough to hand to the secretary of this committee the transcript of the record, he will indicate to them the point that I wish to have expunged from the record.

We will meet to-morrow morning; I expect half past 10 o'clock would be as early as we could get ready. Much obliged.

(Thereupon, at 2.45 o'clock p. m., the committee recessed until Thursday, January 22, 1920, at 10.30 o'clock a. m.)

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INVESTIGATION OF MEXICAN AFFAIRS.

THURSDAY, JANUARY 22, 1920.

UNITED STATES SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON FOREIGN RELATIONS.

The subcommittee met pursuant to the call of the chairman at 10.40 o'clock a. m. in the pink room of the Gunter Hotel, in San Antonio, Tex., Senator Albert B. Fall presiding.

Present: Senators Fall (chairman) and Smith; Dan M. Jackson, Esq., clerk of the subcommittee.

TESTIMONY OF JOHN A. VALLS.

(The witness was duly sworn by Dan M. Jackson, Esq., clerk of the subcommittee, duly authorized thereto.)

The CHAIRMAN. Will you please state your full name, Judge?

Mr. VALLS. My name is John A. Valls.

The CHAIRMAN. Are you an American citizen?

Mr. VALLS. Yes, sir; I am.

The CHAIRMAN. Native born?

Mr. VALLS. No, sir.

The CHAIRMAN. Where were you born?

Mr. VALLS. I was born at the mouth of Rio Grande, but my father was born in Spain, and when I was two months old my parents moved to Brownsville, Tex., and in 1876 my father received his final papers in the Federal court in Brownsville.

The CHAIRMAN. Where have you lived the greater part of your life?

Mr. VALLS. With the exception of seven years of my life that I spent at the University of Virginia and other American universities, I have spent all of my life on the Texas border.

The CHAIRMAN. On the American side?

Mr. VALLS. On the American side of the Rio Grande.

The CHAIRMAN. What is your profession?

Mr. VALLS. I am a lawyer. I have been district attorney of the forty-ninth judicial district of Texas since 1902.

The CHAIRMAN. You are still the district attorney in the forty-ninth district?

Mr. VALLS. Yes, sir.

The CHAIRMAN. Are you familiar with the Spanish language?

Mr. VALLS. Yes, sir; I am.

The CHAIRMAN. Have you been interested in and made a study of Mexican history and laws and customs?

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Mr. VALLS. Since my earliest boyhood I have taken a lively interest in Mexican politics and in Mexican history.

The CHAIRMAN. And Mexican law?

Mr. VALLS. Yes, sir.

The CHAIRMAN. Have you been familiar with the Mexican people during your life on the border of Mexico?

Mr. VALLS. Yes, sir. I have known a great many of the most prominent men of Mexico, especially during the administration of President Diaz—President Diaz, Manuel Gonzales, Ramon Corral, Jacinto Trevino, and a great many others.

The CHARMAN. What were your personal relations with Porfirio Diaz during his lifetime, or from 1878 until 1911?

Mr. VALLS. Senator, will you allow me to explain that in my own way?

The CHAIRMAN. I will be glad to have you do it, sir.

Mr. VALLS. Because I know that my statements will be misinterpreted and distorted in certain quarters. Some of my nearest and dearest friends are of Mexican extraction. There is no truer or nicer gentlemen than the cultured, educated Mexican, and the really refined Mexican woman is a glory to her sex. The Mexican people of the border have been true to me and I will be true to them. I wish for them all the blessings of a good and stable government, and God forgive me if I for one moment forget the best interests of the Mexican people. Ever since my earliest boyhood I have had a most affectionate regard for Porfirio Diaz; you might call it a filial affection. In 1893, when I was struggling hard in the practice of my profession, Porfirio Diaz surprised me by appointing me Mexican consul in Brownsville, Tex., of his own initiative and without any solicitation on my part. The appointment paid a handsome salary and from a financial point of view it was a tempting offer; but I have always been so thoroughly American that I declined the offer and, American as I am, and the cultured as I was in the purest principles of American liberty, I am proud to say, Senator, that the friendship of Porfirio Diaz for me is one of the proudest and most tender recollections of my life. Will you permit me to read you, Senator, a letter President Diaz wrote to me when I declined the consularship.

The CHAIRMAN. I will be glad to have you do it.

Mr. VALLS. I was apprehensive it would displease President Diaz, and I wrote him as nice a letter as I knew how. The answer is in Spanish, and I will translate it as I go.

MEXICO, *December 14, 1893.*

Mr. JOHN A. VALLS,
Laredo, Tex.

ESTEEMED FRIEND: I have read the contents of your letter of the 7th instant and I give you my most sincere thanks for the explanations which you kindly make me, and I advise you in return that you have much reason for not accepting the consulship in Brownsville, which fact does not offend me, because indeed in the place where you are now established, you are rendering me friendly and important service.

Your very affectionate friend and servant,

PORFIRIO DIAZ.

When he was struggling hard against Madero, Senator, I wrote him a letter and asked him please not to give up; that he would win the battle yet. And in order to show you how that great heart loved

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the Mexican people, this is what he replied (it was before he left Mexico):

MEXICO, *April 29, 1911.*

Mr. JOHN A. VALLS,
Laredo, Tex.
ESTEEMED FRIEND—

Among other things he says:

You may rest easy that this government, when it treats with the rebels, will not for one moment lose its decorom, and the only concessions that I grant will be made solely to avoid the effusion of blood.

Your affectionate friend and servant,

PORFIRIO DIAZ.

My relations with him were very close, Senator, for many years.

The CHAIRMAN. Right here may I inject: You are elected by the popular vote, to your position as district attorney of the Forty-ninth district?

Mr. VALLS. Yes, sir.

The CHAIRMAN. Of what blood are the majority of the voters of the Forty-ninth District?

Mr. VALLS. Of Mexican extraction, and whatever political perferment I have, Senator, I owe principally to those people.

The CHAIRMAN. In your official capacity as district attorney you have had more or less to do with the international or border disturbances, complications, and the troubles since the outbreak of the Madero revolution, I presume?

Mr. VALLS. Yes, sir.

The CHAIRMAN. Have there been, to your knowledge, any disturbances on the American side of the boundary line, due to the disturbed conditions in Mexico?

Mr. VALLS. Yes, sir. If you will allow me to relate them now?

The CHAIRMAN. I will be very glad to have you, just in your own words, Judge, give a history of such troubles, as they came under your observation, and the causes of the same?

Mr. VALLS. In February, 1915, I first heard of the plan of San Diego. To me it appeared so visionary and ridiculous that I paid no attention to it. Subsequently, on the 10th day of April, I discovered that a branch of that organization existed in the city of Laredo. I had in my possession the minutes of that order. I communicated that fact to a certain officer, with a request that he assist me.

The CHAIRMAN. An American officer?

Mr. VALLS. Yes, sir.

The CHAIRMAN. Military?

Mr. VALLS. No, sir.

The CHAIRMAN. Civil?

Mr. VALLS. Yes, sir; and through his indiscretion it was discovered that we had learned of this order. The members were all strangers to Laredo, and they immediately left the city. After that, of course, I kept a careful watch on matters along the border. Some time in June of 1916 Dr. Thompson, a dentist in Laredo, came to my office at night and gave me this letter, addressed to Dr. J. K. Thompson, dentist, Laredo, Tex. Inside of this envelope was a smaller one addressed to Mr. John Valls, lawyer, Laredo, Tex.

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The CHAIRMAN. What was the date of that letter?

Mr. VALLS. June 9, 1916. The day after I received this letter, or the morning after, I received information that a band of outlaws had attempted to burn the bridges and cut the telegraph wires at Webb Station. This letter was written from Monterrey, and it predicted that fact. Among other things, he says:

I am not a prophet, or within the next few days there will be some people who will burn bridges on the American side of the river, under the different names of Japanese, Texans, I. W. W.'s, or intervention in Mexico. God grant that that great country may soon remedy these evils.

Of course, the name that was signed to it wasn't the name of the real writer of the letter.

The CHAIRMAN. You are positive that another name was signed?

Mr. VALLS. Yes, sir.

The CHAIRMAN. The writer didn't want his identity known?

Mr. VALLS. He says here after a while he will let me know who he is. Then a few days after receiving this letter the Laredo Auto Sales Co. brought to my office this large envelope [exhibiting an envelope]. And in this one there was found a smaller one addressed to Lawyer John Valls. The date of this letter is Monterrey, June 16, 1916. The day after the assault was made on the American soldiers at San Ignacio. Among other things he says:

In this city for nobody was it a secret that the authorities were preparing these outlaws to go into Texas and burn bridges and to interrupt the traffic, nor that De la Rosa and his companions might commit all kinds of depredations in the southern part of Texas. Whom can you ask that does not know that on the plaza, in streets, in the theaters, even in the very offices of the Carrancista officials, it was publicly stated that within a few days this number would be increased and all traffic between San Antonio and Laredo would be interrupted. De la Rosa publicly organized his men in Victoria, Tex., and so on.

Very well. I communicated the fact to the officials, but that very morning the assault was made at San Ignacio. In that case, Senator, Lieut. Kyle Rucker, of the Fourteenth Cavalry, was stationed at San Ignacio, Tex., in Zapata County, about 45 miles down the river from Laredo. That afternoon he went across the river into Mexico and conferred with Federico Gutierrez Zapata, who was the Carranza commander in San Ignacio, Mexico. He informed this Carranza commander that this band had left Jarita for the Texas border. The Carranza commander assured Lieut. Rucker that he would send some picked men to intercept these bandits, and that very night Federico Gutierrez Zapata, the Carrancista commander, was the guide that led the attacking force that assaulted the American soldiers, and Federico Gutierrez Zapata to-day is holding a commission in the government of President Carranza, in the city of Nuevo Laredo, Mexico. In that fight several of the American soldiers were killed in their tents. The fight lasted a short while, and the Mexicans returned to Mexico. Col. Cruz Ruiz and Col. Frias were the officers who commanded that band that consisted of about 75 men. They had bombs, dynamite, hand grenades, and were otherwise well equipped.

Senator SMITH. Senator, permit me to ask you there: This assault was made on a garrison of American troops?

Mr. VALLS. Stationed at San Ignacio, in Zapata County, Tex.

The CHAIRMAN. All right.

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Mr. VALLS. The evidence of these men—four of these men were indicted in Webb County, Tex. I prosecuted those four men, and the jury gave each one of them the death penalty. I also prosecuted the men who were arrested for attempting to burn the bridges and for attempting to cut the telegraph wires at Webb Station. The men who made the attempt to burn the bridges had in their possession all the implements to cut wires; they had coal oil to burn the bridges with; and the evidence in that case, Senator, established this fact: That Niceforo Zambrano, who was then the treasurer general of Mexico, and who subsequently became the governor of the State of Nuevo Leon, recruited some of these men in the City of Mexico, and Niceforo Zambrano, together with a tall man—a tall, slender man, dressed in a brown suit—his name I have never been able to discover—Niceforo Zambrano and this Mexican general left the City of Mexico in a special car with these men for Monterrey, and at Monterrey they were taken to a hotel. There other men were recruited. Niceforo Zambrano, the treasurer general of Mexico, Col. Leocadio Fierros, of the Carranza Army, accompanied these men to the railroad station, and there, amid the acclamations of the people, in three railroad cars, these men openly left the city of Monterrey for Jarita. These things were done with the knowledge—this is a fact, Senator, the evidence shows it—these things were done with the knowledge and consent and the approbation of the Carranza government, and not a finger was raised by that government to frustrate this cruel and murderous mission—murderous, Senator, because the Carranza commander, after conferring with Lieut. Kyle Rucker, assured him that he would intercept these bands, and instead of doing that, the Carranza commander led these troops in the assault that killed American soldiers at San Ignacio.

The evidence also shows that the men who burned the bridges at Webb station publicly consorted with the Carranza troops at Hidalgo in Mexico. These men, some of them, were wearing the uniform of the Carranza army. Some of them had commissions in the Carranza army. Well, the case was appealed to the court of criminal appeals, and the court of criminal appeals decided that war existed between the United States and Mexico and that these men were prisoners of war. I then delivered the four men to Col. Ferguson of the Twenty-seventh Infantry at Laredo, Tex.; he in turn delivered them to the Mexican consul, and the Mexican consul escorted these four men at Nuevo Laredo, where they were acclaimed as heroes by the populace of that city.

The CHAIRMAN. That was in Mexico?

Mr. VALLS. Nuevo Laredo, Tamaulipas, Mexico. That is, in a few words, the history of that event.

The CHAIRMAN. What is the title of that case, the appeal to the supreme court, do you recall?

Mr. VALLS. Arce versus the State.

The CHAIRMAN. Jose Antonio Arce et al.?

Mr. VALLS. Jose Antonio Arce et al. versus the State.

The CHAIRMAN. You are familiar with the decision of the court; you have stated that the decision was that a state of war existed be-

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tween the United States and the Carranza or Mexican Government at that time?

Mr. VALLS. Yes, sir.

The CHAIRMAN. The Carranza government was in authority in Mexico?

Mr. VALLS. It was.

The CHAIRMAN. And the men who had come across the river attacked our people on Texas soil and murdered them were freed of the charge of murder by the supreme court of the State of Texas, or the court of criminal appeals of the State of Texas, upon the grounds that the evidence disclosed that a state of war existed between the Carranza government and the American Government, and therefore these men, as soldiers, were not guilty of murder?

Mr. VALLS. Yes, sir.

The CHAIRMAN. They having obeyed the orders of their superiors?

Mr. VALLS. Yes, sir.

The CHAIRMAN. Judge, is it generally known throughout the State, do you think, that this decision was made upon this ground; do you think the people of the State of Texas generally have understood it?

Mr. VALLS. No, sir; and I was surprised that more publicity has not been given that decision.

The CHAIRMAN. I may state to you that it was not even understood in the city of Washington amongst some of our Federal authorities, because Carranza had prior to that time been recognized by this Government. Judge, do you know Mr. Mendez, who has been postmaster general of Mexico?

Mr. VALLS. Mario Mendez?

The CHAIRMAN. Yes.

Mr. VALLS. Yes, sir; I am well acquainted with him, he is in Matamoros.

The CHAIRMAN. I stated his official position approximately correctly, did I not, that he is what would correspond to our Postmaster General?

Mr. VALLS. The last I heard of the general he was the director general of the telegraph.

The CHAIRMAN. Possibly I was mistaken as to his exact position. Did any evidence develop in the trial of these cases connecting Mr. Mendez with this plan of San Diego in any way?

Mr. VALLS. Not that I recall.

The CHAIRMAN. We will have other evidence which will connect him.

Mr. VALLS. I wouldn't be surprised, because I know him very intimately and he has always been anti-American. Some things may have escaped my memory, Senator, in this matter, I don't know.

The CHAIRMAN. Now, the case that you have so lucidly explained was that of the State against Arce, and grew out of the San Ignacio raid?

Mr. VALLS. Yes, sir.

The CHAIRMAN. Do you know of any other specific cases concerning these raids, with which you were connected?

Mr. VALLS. May I also tell you that in that raid the evidence showed that Col. Frias, of this band, crossed to San Ignacio that

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afternoon and saw that there were 10 tents containing 4 soldiers each, 40 men. That night Col. Alonzo Gray—he was then Maj. Alonzo Gray—and Lieut. Sirmyer arrived with Troop I of the Fourteenth Cavalry on the way to the county seat, and they decided to spend the night at San Ignacio and that is how Lieut. Kyle Rucker happened to be reinforced, and these men in the company didn't know, they thought they only had to take 40 soldiers.

The CHAIRMAN. And the Mexicans had spied out the lay of the land and the men in the tents and knew approximately that he had only 40 soldiers, but fortunately these reinforcements came up and surprised the attacking force?

Mr. VALLS. And these men testified and the evidence showed that they were carrying out the plan of San Diego. Their purpose was to kill the American soldiers and take whatever they could lay their hands on and go into the interior of Texas and do likewise.

The CHAIRMAN. You had in your possession copy of this plan of San Diego, did you?

Mr. VALLS. Yes, sir.

The CHAIRMAN. Will you examine this paper and state whether you can identify it as connected with this proposed plan of San Diego?

Mr. VALLS. I will also state, Senator, that this man Basilio Ramos who originated this plan, when he returned to Nuevo Laredo, Mexico, he was dined and wined by the government officials of that place.

Senator SMITH. You say he was the author of this plan of San Diego?

Mr. VALLS. Yes, sir; supposed to be the author. Yes, sir; I have seen this before, it is just like the one I have.

The CHAIRMAN. This is a copy then of the plan of San Diego under which these raids were made?

Mr. VALLS. Yes, sir.

The CHAIRMAN. Mr. Clerk, read this into the record.

(Thereupon the clerk read into the record the copy of the plan of San Diego, which is as follows:)

PROVISIONAL DIRECTORATE OF THE PLAN (PLOT) OF SAN DIEGO, TEX., JANUARY 6, 1915.

We, who in turn sign our names, assembled in the revolutionary plot of San Diego, Tex., solemnly promise each other, on our word of honor, that we will fulfill, and cause to be fulfilled and complied with, all the clauses and provisions stipulated in this document, and execute the orders and the wishes emanating from the provisional directorate of this movement and recognize as military chief of the same Mr. Agustin S. Garza, guaranteeing with our lives the faithful accomplishment of what is here agreed upon.

1. On the 20th day of February, 1915, at 2 o'clock in the morning, we will rise in arms against the Government and the country of the United States of North America, one as all and all as one, proclaiming the liberty of the individuals of the black race and its independence of Yankee tyranny which has held us in iniquituous slavery since the remote times; and at the same time and in the same manner we will proclaim the independence and segregation of the States bordering on the Mexican Nation, which are: Texas, New Mexico, Arizona, Colorado, and Upper California, of which States the Republic of Mexico was robbed in a most perfidious manner by North American imperialism.

2. In order to render the foregoing clause effective, the necessary army corps will be formed under the immediate command of military leaders named by the Supreme Revolutionary Congress of San Diego, Tex., which shall have full power to designate a supreme chief, who shall be at the head of said

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army. The banner which shall guide us in this enterprise shall be red, with a white diagonal fringe, and bearing the following inscription: "Equality and independence," and none of the subordinate leaders or subalterns shall use any other flag (except only the white flag for signals). The aforesaid army shall be known by the name of "liberating army for races and peoples."

3. Each one of the chiefs will do his utmost, by whatever means possible, to get possession of the arms and funds of the cities which he has beforehand been designated to capture, in order that our cause may be provided with resources to continue the fight with better success, the said leaders each being required to render an account of everything to his superiors, in order that the latter may dispose of it in the proper manner.

4. The leader who may take a city must immediately name and appoint municipal authorities, in order that they may preserve order and assist in every way possible the revolutionary movement. In case the capital of any State we are endeavoring to liberate be captured, there will be named in the same manner superior municipal authorities for the same purpose.

5. It is strictly forbidden to hold prisoners, either special prisoners (civilians) or soldiers; and the only time that should be spent in dealing with them is that which is absolutely necessary to demand funds (loans) of them; and whether these demands are successful or not, they shall be shot immediately without any pretext.

6. Every stranger who shall be found armed and who can not prove his right to carry arms shall be summarily executed, regardless of his race or nationality.

7. Every North American over 16 years of age shall be put to death, and only the aged men, the women, and children shall be respected; and on no account shall the traitors to our race be spared or respected.

8. The Apaches of Arizona, as well as the Indians (redskins) of the Territory shall be given every guaranty; and their lands which have been taken from them shall be returned to them, to the end that they may assist us in the cause which we defend.

9. All appointments and grades in our army which are exercised by subordinate officers (subalterns) shall be examined (recognized) by the superior officers. There shall likewise be recognized the grades of leaders of other complots which may be connected with this, and who may wish to cooperate with us; also those who may affiliate with us later.

10. The movement having gathered force, and once having possessed ourselves of the States above alluded to, we shall proclaim them an independent republic, later requesting (if it be thought expedient) annexation to Mexico, without concerning ourselves at the time about the form of government which may control the destinies of the common mother country.

11. When we shall have obtained independence for the Negroes, we shall grant them a banner, which they themselves shall be permitted to select, and we shall aid them in obtaining six States of the American Union, which States border upon those already mentioned, and they may form from these six States a republic, and they may therefore be independent.

12. None of the leaders shall have power to make terms with the enemy, without first communicating with the superior officers of the army, bearing in mind that this is a war without quarter; nor shall any leader enroll in his ranks any stranger, unless said stranger belong to the Latin, the Negro, or the Japenese race.

13. It is understood that none of the members of this complot (or any one who may come in later) shall, upon the definite triumph of the cause which we defend, fail to recognize their superiors, nor shall they aid others who, with bastard designs, may endeavor to destroy what has been accomplished by such great work.

14. As soon as possible each local society (junta) shall nominate delegates who shall meet at a time and place beforehand designated, for the purpose of nominating a permanent directorate of the revolutionary movement. At this meeting shall be determined and worked out in detail the power and duties of the permanent directorate and this revolutionary plan may be revised or amended.

15. It is understood among those who may follow this movement that we shall carry in a singing voice the independence of the negroes, placing obligations upon both races and that on no account will we accept aid, either moral

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or pecuniary, from the Government of Mexico; and it need not consider itself under any obligation in this, our movement.

Equality and independence.

SAN DIEGO, TEX., *January 6, 1919.*

(Signed) L. PERRIGO, *President.*
A. GONZALES, *Secretary.*
A. A. SAENZ,
E. CISNEROS.
PORFIRIO SANTOS.
A. S. GARZA.
MANUEL FLORES.
B. RAMOS, JR.
A. G. ALMARAZ.

The CHAIRMAN. I notice a note attached to this document directed to Basilio Ramos, jr. Is this Basilio Ramos the man whom you say was acclaimed a hero on the Mexican side?

Mr. VALLS. Yes, sir.

The CHAIRMAN. This note directs his attention to a meeting held in Monterrey, Nuevo Leon, January 6, 1915, and states:

That the provisional directorate has deemed it proper to name you as a representative with full authority to organize lodges (junta), and give commissions to persons in cities which you may think proper, in the State of Arizona, New Mexico, Colorado, California, and Texas, as well as along the northern frontier of Mexico, in order that, by all means available to you, you may assist in the consummation of the plan of San Diego.

We extend to you this commission in order that you may be constant in your work, and that it may serve you as a credential and for identification to all concerned.

(Signed) L. PERRIGO, *President.*
A. GONZALES, *Secretary.*
A. G. ALMARAZ.

The CHAIRMAN. Was this not in evidence in the trial of the Arce case?

Mr. VALLS. No, sir.

The CHAIRMAN. It did not come under your observation?

Mr. VALLS. Yes, sir. I forgot to say, Senator, that a flag was found in the assault of San Ignacio, and also at Webb station, that was borne by these bandits, that was identified as the flag of the plan of San Diego, a red flag with a white stripe.

The CHAIRMAN. Now, you have stated that the evidence in the trial showed that recruits for carrying out this plan were obtained in the City of Mexico, and other cities in Mexico, that men engaged in carrying out the plan in this State bore Carranza commissions as officers; that Niceforo Zambrano, of Mexico, was one of the leaders in recruiting men, and Isabel de los Santos, and others.

Mr. VALLS. Isabel de los Santos, I had forgotten that name. And after this decision was rendered by the court of criminal appeals, Niceforo Zambrano, before crossing into Texas, asked my permission, as he put it, whether he could come over or not. I told him unfortunately the court of criminal appeals said he could.

The CHAIRMAN. What position, if any, did he hold at that time in the Mexican Government?

Mr. VALLS. Governor of the State of Nuevo Leon.

The CHAIRMAN. Appointed by Carranza or elected?

Mr. VALLS. No; he was then appointed by Carranza.

The CHAIRMAN. Now, Judge, when this document first came to your attention, the evidence of this plan first came to your atten-

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tion early in 1915, what impression did it make upon you as an officer of the law?

Mr. VALLS. To me it appeared so ridiculous that I paid no attention to it.

The CHAIRMAN. It appeared preposterous?

Mr. VALLS. Yes, sir; impractical. Maj. Burns, who was then a member of the Department of Justice, saw me in Laredo and I explained to him how he could get at the bottom of this thing in a confidential way, and I believe he has a great deal of information he can give you.

The CHAIRMAN. Now, do you know the details of the Webb raid?

Mr. VALLS. I also prosecuted those men, and they were given a term in the penitentiary. The evidence in that case shows that Niceforo Zambrano and Gen. Maurillo Rodriguez recruited these men and sent them to Jarita with instructions to go from there to Hidalgo, Mexico. There they conferred with the Carranza commander at Hidalgo. There they mingled with the customhouse officers of the Carranza government. They were given horses there. They crossed the river into Texas at that place, and they went on to Webb station. They were met by a posse and a fight ensued, and Lieut. Col. Villareal who was well known in Victoria, was killed. The others, four of them, were captured and they were given a term in the penitentiary. They were also carrying a flag.

The CHAIRMAN. Do you know Maurillo Rodriguez?

Mr. VALLS. No, sir; not personally.

The CHAIRMAN. Never saw him?

Mr. VALLS. No, sir.

The CHAIRMAN. Have you ever heard him described?

Mr. VALLS. No, sir; I don't remember.

The CHAIRMAN. You don't know whether he was slightly lame in one leg?

Mr. VALLS. No, sir; I don't. And this evidence, Senator, was brought out in answers to direct questions propounded by the court itself, by the district judge himself.

The CHAIRMAN. This case of Solis, and others whom you convicted?

Mr. VALLS. Yes, sir.

The CHAIRMAN. Wasn't carried to the Supreme Court?

Mr. VALLS. No, sir.

The CHAIRMAN. And these people are still in the penitentiary?

Mr. VALLS. Yes, sir.

The CHAIRMAN. You say Lieut. Col. Villareal was killed? Do you know what service he was in?

Mr. VALLS. I know from people who knew him that he was an officer in the Carranza army. When he was killed he was wearing a uniform.

The CHAIRMAN. What uniform?

Mr. VALLS. They say, of the Carranza army.

Senator SMITH. Killed on the American side?

Mr. VALLS. Yes, sir; in Webb County.

The CHAIRMAN. You say they were met by a posse and a fight ensued? Of whom were the posse composed?

Mr. VALLS. Of civilians of Webb County.

The CHAIRMAN. Texas?

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Mr. VALLS. Yes, sir.

The CHAIRMAN. Do you know how many were in the raiding party?

Mr. VALLS. There were six; one of them testified that he had been an officer under Gen. Torres in the City of Mexico in the Carranza army. Previous to that, Senator, there was a newspaper published in Laredo called El Progreso. That was financed by Mr. Carranza publicly and notoriously known. It was conducted by him, controlled, and its policy conducted by the consul of Mr. Carranza in Laredo, Tex., a man named Melquiades Garcia. That paper, previous to these raids, was publishing articles of the most incendiary nature, and particularly assailing President Wilson, and hostile in every way to American interests. When I received these two letters that newspaper claimed that these letters had been written in Laredo, Tex.; that they were not genuine. That afternoon some American gentlemen of Laredo, Tex., tired of these incendiary editorials, took the editor, Leo D. Walker, put him in an automobile, and escorted him to the bank of the river and told him to cross and never come back. Mr. Arredondo, who was then the representative in Washington of the de facto Government——

The CHAIRMAN. Eliseo Arredondo?

Mrs. VALLS. Yes, sir.

The CHAIRMAN. Now minister representing the Mexican Government at Madrid, Spain?

Mr. VALLS. That's the one. He complained to Mr. Lansing that two Mexican citizens had been assaulted in Laredo, naming them, Leo D. Walker and Emiterio Flores, and that the American authorities had done nothing. Mr. Lansing complained to Gov. Ferguson, and Gov. Ferguson sent the correspondence to me, and I wrote a reply, substantially what I have stated just now, showing that one of them was an American citizen, Emiterio Flores, and showing the circumstances under which Leo D. Walker was escorted to the bank of the river and told to cross, and that settled the matter.

Senator SMITH. Judge, when you first heard of this plan of San Diego it struck you, as you say, as so preposterous that you paid little or no attention to it. How long before you were convinced that there was really a purpose in it?

Mr. VALLS. On the 10th day of April following that.

Senator SMITH. What caused you to believe it?

Mr. VALLS. Because I discovered that this lodge, a branch, you know, had been organized and was existing in Laredo, Tex.

Senator SMITH. Any raids made in pursuance of this?

Mr. VALLS. Yes, sir; the raids we spoke of as having been made, firing on the American soldiers when they thought there was only forty there.

The CHAIRMAN. That followed much later.

Senator SMITH. I am only speaking—what I am trying to get at, the judge heard and I have heard evidence of the plan of San Diego, we thought nothing of it, only the preposterous inability of carrying it out. Then I am trying to develop whatever was done that looked like was in pursuance of the plan as to the invasion of America and whether or not from what you have seen since you have found out the plan of San Diego, whether what you have

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detailed was not convincing to you that there was a real purpose in it?

Mr. VALLS. Certainly, all of these raids were in direct pursuance of that plan.

Senator SMITH. You think it was carrying out the plan?

Mr. VALLS. Yes, sir.

The CHAIRMAN. There was an indictment found in the United States District Court for the Southern District of Texas in 1915 against the parties signing this plan?

Mr. VALLS. Yes, sir.

The CHAIRMAN. The conspiracy continued, and the particular raids that you have referred to, Webb Station raid and San Ignacio raid, occurred in the early spring or summer of 1916?

Mr. VALLS. In June, 1916.

The CHAIRMAN. So that the matter of the formation of this conspiracy had reached such an extreme or such proportions that the indictment was found in the United States court against the parties on the 13th day of May, 1915?

Mr. VALLS. Yes, sir.

The CHAIRMAN. Then these prosecutions took place, which you directed, following the raids in 1916?

Mr. VALLS. Yes, sir.

The CHAIRMAN. I notice that one of the names signed to this plan of San Diego is that of A. S. Garza. Was that Agustin S. Garza?

Mr. VALLS. Of San Diego, Tex., a school-teacher there.

The CHAIRMAN. Do you know him personally?

Mr. VALLS. No, sir.

The CHAIRMAN. Do you know whether he went at any time by any other name than that of Garza?

Mr. VALLS. Yes, sir; I found that out afterwards.

The CHAIRMAN. What was the name?

Mr. VALLS. Leon Caballo.

The CHAIRMAN. He is known in Mexico as Leon Caballo?

Mr. VALLS. Yes, sir.

The CHAIRMAN. Do you know where he is now?

Mr. VALLS. About a month ago, I think it was, more or less, I was trying to find out where he was, and a friend of mine went to Nuevo Laredo to get the information, and he reported to me that Leon Caballo—that Agustin Garza—Leon Caballo, in the employment of the Carranza government, would be in Nuevo Laredo on the following Sunday.

The CHAIRMAN. Do you know what character of employment he has with the Carranza government?

Mr. VALLS. Not well enough, Senator, to tell you.

The CHAIRMAN. What is that information, if any, you have; is he a secret-service man?

Mr. VALLS. Yes, sir; in the confidence of Mr. Carranza.

The CHAIRMAN. Do you know Aguirre Berlanga, ministro de gobernacion?

Mr. VALLS. Ministro gobernacion?

The CHAIRMAN. Ministro gobernacion in the Carranza cabinet?

Mr. VALLS. Yes, sir.

The CHAIRMAN. Did you ever know Manuel Ochoa in Mexico, at one time on Carranza's staff?

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Mr. VALLS. No, sir.

The CHAIRMAN. You didn't know him? Do you know whether at any time Agustin Garza had an office at No. 17 Avenida Independencia in the City of Mexico?

Mr. VALLS. I don't know, only from hearsay, you know; I have not been in Mexico, Senator, since January, 1912.

The CHAIRMAN. Of course, as an official investigating these matters, why, you had to act upon information. Do you know, or did you ever know at any time, so-called Gen. Fortunato Zuazua?

Mr. VALLS. Yes, sir; knew of him.

The CHAIRMAN. What position, if any, does he hold in the Carranza government?

Mr. VALLS. He holds some prominent position; I don't know exactly what it is.

The CHAIRMAN. Do you know whether he is a native of the State of Nuevo Leon?

Mr. VALLS. I think he is; yes, sir; Nuevo Leon, Lampazos.

The CHAIRMAN. The family resided at Lampazos, State of Nuevo Leon. Did you ever hear, through the course of your investigations, of any connection of Fortunato Zuazua with carrying out of this plan of San Diego, by raising money or otherwise?

Mr. VALLS. Yes, sir; his name was frequently mentioned in the course of that investigation.

The CHAIRMAN. Do you know Gen. Nafarrate of the Mexican Army?

Mr. VALLS. Also by reputation very well; yes, sir.

The CHAIRMAN. Do you know what has become of him?

Mr. VALLS. He was killed at Tampico.

The CHAIRMAN. From information coming into your possession in connection with your official duties and investigations along the border have you any information as to the circumstances immediately surrounding or immediately preceding the death of Gen. Nafarrate, did you hear of any reason why he met his death?

Mr. VALLS. It was reported to me that he was assassinated by orders of President Carranza.

The CHAIRMAN. For what reason, if any?

Mr. VALLS. He knew the order that Carranza had given and interviews he had had with Carranza with reference to Americans and what he should do in this matter of the border raid.

The CHAIRMAN. That is, the plan of San Diego?

Mr. VALLS. The plan of San Diego, and he was about to divulge these things, and he was assassinated by a man sent there from the City of Mexico.

The CHAIRMAN. Do you know where his wife is?

Mr. VALLS. She was about to leave to come to the United States, whether she did or not——

The CHAIRMAN. She was residing for a time in the City of Mexico?

Mr. VALLS. Yes, sir.

The CHAIRMAN. Did you hear that she claimed to have the original documents?

Mr. VALLS. Yes, yes.

The CHAIRMAN. Which her husband was going to divulge?

Mr. VALLS. Yes, sir; yes, sir.

The CHAIRMAN. Did you know Minister Acuna, of Mexico?

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Mr. VALLS. By reputation; yes, sir.

The CHAIRMAN. Did you ever hear of him, Minister Acuna, in connection with the plan of San Diego?

Mr. VALLS. No, sir. You know, Nafarrate's name was mentioned there frequently, also in the course of this investigation of the San Ignacio raid.

The CHAIRMAN. Yes; he was directly connected, personally, with some of the recruits?

Mr. VALLS. Yes; sent some of the recruits to Monterrey, so they testified.

The CHAIRMAN. Did you know, or did you ever know Jacobo Ayala Villareal, connected with Gen. Zuazua, as his treasurer or in any capacity?

Mr. VALLS. Yes, sir; his name was also mentioned frequently in the course of that investigation.

The CHAIRMAN. As being connected with the carrying out of the plan of San Diego?

Mr. VALLS. Yes, sir; raising money for that purpose.

The CHAIRMAN. Do you know what position he had, if any, subsequent to the raids in this State?

Mr. VALLS. Yes, sir.

The CHAIRMAN. Do you know whether he was at any time collector of customs under the Carranza Government at Naco, Ariz.?

Mr. VALLS. I don't remember it.

The CHAIRMAN. Do you know whether he is now in charge, or recently in charge of the office of Bienes Intervenidos at Matamoros——

Mr. VALLS. Yes, sir; I have heard of it.

The CHAIRMAN. Tamaulipas, Mexico?

Mr. VALLS. Yes, sir; I heard that recently.

The CHAIRMAN. Did you ever, in your investigations, in connection with this matter hear of a Jap commonly known as Mago?

Mr. VALLS. No, sir.

The CHAIRMAN. You didn't hear?

Mr. VALLS. No, sir.

The CHAIRMAN. Did you know, or did it directly appear in evidence in any of these cases that there were seven Japanese who swam the river at the attack of San Ignacio, and returned——

Mr. VALLS. They were called Japanese; yes, sir.

The CHAIRMAN. Do you know anything about the details, how they got back across the river after they were repulsed?

Mr. VALLS. No, sir.

The CHAIRMAN. You don't know whether they claimed that they swam under water and used canes for the purpose of securing air to enable them to swim?

Mr. VALLS. No, sir; I don't recall it.

The CHAIRMAN. We will develop that by other testimony. Did you ever know, or did Gen. Pablo Gonzales's name ever appear in any of your investigations, or did you hear of him in connection with the plan of San Diego?

Mr. VALLS. No, Senator; no.

The CHAIRMAN. That didn't appear from the evidence here?

Mr. VALLS. No.

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The CHAIRMAN. I thought not; we will develop that a little later. Do you know what relation, if any, this Col. Maurillo Rodriguez who was connected with these raids—do you know the relationship, if any, existing between him and President Carranza?

Mr. VALLS. He remained on the border but a short while after that. I understand he went to the City of Mexico.

The CHAIRMAN. Do you know whether he was a nephew, or is a nephew, of President Carranza of Mexico?

Mr. VALLS. I heard that; yes, sir; I heard that.

The CHAIRMAN. You never heard of Gen. Pablo Gonzales having furnished Maurillo Rodriguez with arms and ammunition that he used in these raids in Texas?

Mr. VALLS. It was reported that somebody did in the City of Mexico; some general; they never gave me his name—simply gave me a description of what kind of a suit of clothes he was wearing.

The CHAIRMAN. Do you know the so-called Gen. Juan Barragan, the chief of staff to Carranza?

Mr. VALLS. I know of him; yes, sir.

The CHAIRMAN. Did you ever hear his name mentioned in connection with the San Ignacio raids?

Mr. VALLS. Yes, sir.

The CHAIRMAN. He is chief of staff of the Mexican army at this time?

Mr. VALLS. Yes, sir.

The CHAIRMAN. Do you know anything about any family connection between Barragan and Carranza?

Mr. VALLS. Not well enough, Senator.

The CHAIRMAN. In your investigations here the name of this Jap--that this Jap was going by; that is, Pablo Nago—did not appear?

Mr. VALLS. No, sir; that I remember, Senator. So many of these details, you know, I don't remember them.

The CHAIRMAN. This man Mendez, whom we referred to a little while ago—the general in charge of the telegraph lines of Mexico—was Mario Mendez?

Mr. VALLS. Mario Mendez; yes, sir. He has several brothers in Mexico, who belong to the "Circulo de los Amigos," or Circle of Friends.

The CHAIRMAN. The Circle of Friends is the translation. Did you know Candido Aguilar, at one time minister of foreign affairs of Mexico?

Mr. VALLS. Carranza's son-in-law?

The CHAIRMAN. The son-in-law of Mr. Carranza?

Mr. VALLS. Yes, sir.

The CHAIRMAN. Did any of the evidence which you had your attention called to connect Candido Aguilar with the raids?

Mr. VALLS. It did; yes, sir. It connected him very prominently with it, Senator.

The CHAIRMAN. You say it connected him very prominently?

Mr. VALLS. Yes, sir; his name appeared very frequently.

The CHAIRMAN. In what rerpect?

Mr. VALLS. That he was so bitterly anti-American, encouraging these things. I could remember these prominent names much better than the others. I was giving my attention always to bigger things, and I paid no attention to the small details.

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The CHAIRMAN. Did you ever, during the course of your investigation, hear of any attempt of Mario Mendez or Candido Aguilar to secure the services of one Forseck to come to the United States during the war to dynamite certain places in the United States?

Mr. VALLS. I have heard that recently, sir; within the last six months; I heard it very frequently after that. Forseck lives in Webb County.

The CHAIRMAN. Did you ever know Garzaya Ugarte, private secretary to Gen. Carranza?

Mr. VALLS. No, sir.

The CHAIRMAN. Did you every know of Luis de la Rosa in connection with these raids?

Mr. VALLS. Yes; I did.

The CHAIRMAN. Who is Luis de la Rosa?

Mr. VALLS. Well, he had a prominent part in those matters, and that commission that was found in the pocket of Jesus Cerda, one of the bandits who was convicted in Webb County, was sent by Luis de la Rosa and Col. Isabel de los Santos.

The CHAIRMAN. Was Luis de la Rosa ever wanted on this side of the border?

Mr. VALLS. Yes, sir; out of my district; yes, sir; Mr. Cliber's district.

The CHAIRMAN. Did you ever see De la Rosa?

Mr. VALLS. No, sir; I had that picture in evidence, or one just like it, in the trial of the Arce case.

The CHAIRMAN. This picture?

Mr. VALLS. Yes, sir.

The CHAIRMAN. It is testified to that that was the picture of De la Rosa. He was often found in company with Col. Estevan Fierros and his cousin, Leo Locadio Fierros.

Mr. VALLS. And with Niceforo Zambrano.

The CHAIRMAN. Now, what position does Niceforo Zambrano hold at this time under the Carranza Government?

Mr. VALLS. Up to a few months ago he was governor of the State of Nuevo Leon. I don't know that he is holding any position just now. Mr. Amaya, you know, Senator, Mr. Amaya is what is called Introductor de los Embajadores in Mexico. He and Zambrano were very close friends. He lived in Laredo, Tex., for a while. I know him very well; he is very close to the President. His name was also mentioned very prominently in this plan of San Diego, and in these raids Manuel Amaya—excuse me—he is well known in San Antonio.

The CHAIRMAN. Do you know where Luis de la Rosa is supposed to be now?

Mr. VALLS. Recently, no, sir; I don't.

The CHAIRMAN. You don't know whether he is employed at Chapultepec, in Mexico?

Mr. VALLS. No, sir.

The CHAIRMAN. Did you ever read what is known as the Zimmerman note to Mexico?

Mr. VALLS. A long time ago I did, Senator.

The CHAIRMAN. During the war?

Mr. VALLS. Yes, sir.

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The CHAIRMAN. In 1917? Did that note strike you as having any familiar sounds as compared with the plan of San Diego, the purported contents of the note?

Mr. VALLS. No, sir; I don't remember, I don't remember whether it impressed me that way or not.

The CHAIRMAN. You would recall what you read of it if it were called again to your attention at this time?

Mr. VALLS. Yes, sir.

The CHAIRMAN. Do you recall having read at any time the note of June 20, 1916, of Secretary Lansing, Secretary of State of the United States, directed to Carranza, during the Pershing expedition in Mexico?

Mr. VALLS. I have read it; yes, sir.

The CHAIRMAN. You recall the strength of the arraignment of the Carranza government by Secretary Lansing in that note?

Mr. VALLS. Yes, sir.

The CHAIRMAN. You recall that Mr. Lansing spoke of de la Rosa and various raids, and the fact that the State Department evidence showed that the raiders had come to the border without being interfered with by Carranza and in fact had ridden on the official trains of the Carranza government?

Mr. VALLS. Yes, sir.

The CHAIRMAN. In connection with this testimony of Judge Valls the note referred to will be placed in the record.

(The note of Secretary Lansing of June 20, 1916, referred to by the chairman is as follows:)

DEPARTMENT OF STATE,
Washington, June 20, 1916.

SIR: I have read your communication, which was delivered to me on May 22, 1916, under instructions of the chief executive of the de facto Government of Mexico, on the subject of the presence of American troops in Mexican territory, and I would be wanting in candor if I did not, before making answer to the allegations of fact and the conclusions reached by your Government, express the surprise and regret which have been caused this Government by the discourteous tone and temper of this last communication of the de facto Government of Mexico.

The Government of the United States has viewed with deep concern and increasing disappointment the progress of the revolution in Mexico. Continuous bloodshed and disorders have marked its progress. For three years the Mexican Republic has been torn with civil strife, the lives of Americans and other aliens have been sacrificed; vast properties developed by American capital and enterprise have been destroyed or rendered nonproductive; bandits have been permitted to roam at will through the territory contiguous to the United States and to seize, without punishment or without effective attempt at punishment, the property of Americans, while the lives of citizens of the United States who ventured to remain in Mexican territory or to return there to protect their interests have been taken, and in some instances barbarously taken, and the murderers have neither been apprehended nor brought to justice. It would be difficult to find in the annals of the history of Mexico conditions more deplorable than those which have existed there during these recent years of civil war.

It would be tedious to recount instance after instance, outrage after outrage, atrocity after atrocity, to illustrate the true nature and extent of the widespread conditions of lawlessness and violence which have prevailed. During the past nine months in particular, the frontier of the United States along the lower Rio Grande has been thrown into a state of constant apprehension and turmoil because of frequent and sudden incursions into American territory and depredations and murders on American soil by Mexican bandits, who have taken the lives and destroyed the property of American citizens,

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sometimes carrying American citizens across the international boundary with the booty seized. American garrisons have been attacked at night, American soldiers killed, and their equipment and horses stolen; American ranches have been raided, property stolen and destroyed, and American trains wrecked and plundered. The attacks on Brownsville, Red House Ferry, Progreso Post Office, and Las Peladas, all occurring during September last, are typical. In these attacks on American territory, Carrancista adherents, and even Carrancista soldiers took part in the looting, burning, and killing. Not only were these murders characterized by ruthless brutality, but uncivilized acts of mutilation were perpetrated. Representations were made to Gen. Carranza, and he was emphatically requested to stop these reprehensible acts in a section which he has long claimed to be under the complete domination of his authority. Notwithstanding these representations and the promises of Gen. Nafarrate to prevent attacks along the international boundary, in the following month of October a passenger train was wrecked by bandits and several persons killed 7 miles north of Brownsville, and an attack was made upon United States troops at the same place several days later. Since these attacks leaders of the bandits, well known both to Mexican civil and military authorities as well as to American officers, have been enjoying with immunity the liberty of the towns of northern Mexico. So far has the indifference of the de facto government of these atrocities gone that some of these leaders, as I am advised, have received not only the protection of that government but encouragement and aid as well.

Depredations upon American persons and property within Mexican jurisdiction have been still more numerous. This Government has repeatedly requested in the strongest terms that the de facto government safeguard the lives and homes of American citizens and furnish the protection which international obligation imposes to American interests in the northern States of Tamaulipas, Nuevo Leon, Coahuila, Chihuahua, and Sonora, and also in the States to the south. For example, on January 3 troops were requested to punish the bands of outlaws which looted the Cusi mining property, 80 miles west of Chihuahua, but no effective results came from this request. During the following week the bandit Villa, with his band of about 200 men was operating without opposition between Rubio and Santa Isabel, a fact well known to Carrancista authorities. Meanwhile a party of unfortunate Americans started by train from Chihuahua to visit the Cusi mines, after having received assurances from Carrancista authorities in the State of Chihuhua that the county was safe and that a guard on the train was not necessary. The Americans held passports or safe conducts issued by the authorities of the de facto government. On January 10 the train was stopped by Villa bandits and 18 of the American party were stripped of their clothing and shot in cold blood, in what is now known as the "Santa Isabel massacre."

Gen. Carranza stated to the agent of the Department of State that he had issued orders for the immediate pursuit, capture, and punishment of those responsible for this atrocious crime, and appealed to this Government and to the American people to consider the difficulties of according protection along the railroad where the massacre occurred.

Assurances were also given by Mr. Arredondo, presumably under instructions from the de factor Government, that the murderers would be brought to justice and that steps would also be taken to remedy the lawless conditions existing in the State of Durango. It is true that Villa, Castro, and Lopez were publicly declared to be outlaws, and subject to apprehension and execution, but so far as known only a single man personally connected with this massacre has been brought to justice by Mexican authorities. Within a month after this barbarous slaughter of inoffensive Americans it was notorious that Villa was operating within 20 miles of Cusihuiriachic, and publicly stated that his purpose was to destroy American lives and property.

Despite repeated and insistent demands that military protection should be furnished to Americans, Villa openly carried on his operations, constantly approaching closer and closer to the border. He was not intercepted, nor were his movements impeded by troops of the de factor Government, and no effectual attempt was made to frustrate his hostile designs against Americans. In fact, as I am informed, while Villa and his band were slowly moving toward the American frontier in the neighborhood of Columbus, N. Mex., not a single Mexican soldier was seen in his vicinity. Yet the Mexican authorities were fully cognizant of his movements, for on March 6, as Gen. Gavira publicly announced, he advised the American military authorities of

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the outlaw's approach to the border, so that they might be prepared to prevent him from crossing the boundary. Villa's unhindered activities culminated in the unprovoked and cold-blooded attack upon American soldiers and citizens in the town of Columbus on the night of March 9, the details of which do not need repetition here in order to refresh your memory with the heinousness of the crime. After murdering, burning, and plundering, Villa and his bandits, fleeing south, passed within sight of the Carrancista military post at Casas Grandes, and no effort was made to stop him by the officers and garrison of the de facto Government stationed there.

In the face of these depredations not only on American lives and property on Mexican soil but on American soldiers, citizens, and homes on American territory, the perpetrators of which Gen. Carranza was unable or possibly considered it inadvisable to apprehend and punish, the United States had no recourse other than to employ force to disperse the bands of Mexican outlaws who were with increasing boldness systematically raiding across the international boundary. The marauders engaged in the attack on Columbus were driven back across the border by American cavalry, and subsequently, as soon as a sufficient force to cope with the band could be collected, were pursued into Mexico in an effort to capture or destroy them. Without cooperation or assistance in the field on the part of the de facto Government, despite repeated requests by the United States, and without apparent recognition on its part of the desirability of putting an end to these systematic raids or of punishing the chief perpetrators of the crimes committed, because they menaced the good relations of the two countries, American forces pursued the lawless bands as far as Parral, where the pursuit was halted by the hostility of Mexicans, presumed to be loyal to the de factor Government, who arrayed themselves on the side of outlawry and became in effect the protectors of Villa and his band.

In this manner and for these reasons have the American forces entered Mexican territory. Knowing fully the circumstances set forth, the de facto Government can not be blind to the necessity which compelled this Government to act, and yet it has seen fit to recite groundless centiments of hostility toward the expedition and to impute to this Government ulterior motives for the continued presence of American troops on Mexican soil. It is charged that these troops came across the fronties without first obtaining the consent or permission of the de factor Government.

Obviously, as immediate action alone could avail, there was no opportunity to reach an agreement (other than that of March 10–13 now repudiated by Gen. Carranza) prior to the entrance of such an expedition into Mexico if the expedition was to be effective. Subsequent events and correspondence have demonstrated to the satisfaction of this Government that Gen. Carranza would not have entered into any agreement providing for an effective plan for the capture and destruction of the Villa bands. While the American troops were moving rapidly southward in pursuit of the raiders, it was the form and nature of the agreement that occupied the attention of Gen. Carranza rather than the practical object which it was to attain—the number of limitations that could be imposed upon the American forces to impede their progress rather than the obstacles that could be raised to prevent the escape of the outlaws. It was Gen. Carranza who suspended, through your note of April 12, all discussions and negotiations for an agreement along the lines of the protocols between the United States and Mexico concluded during the period 1882–1896, under which the two countries had so successfully restored peaceful conditions on their common boundary.

It may be mentioned here that, notwithstanding that statement in your note that "the American Government gave no answer to the note of the 12th of April," this note was replied to on April 14, when the department instructed Mr. Rodgers by telegraph to deliver this Government's answer to Gen. Carranza. Shortly after this reply the conferences between Gens. Scott, Funston, and Obregon began at El Paso, during which they signed on May 2 a project of a memorandum ad referendum regarding the withdrawal of American troops. As an indication of the alleged bad faith of the American Government, you state that though Gen. Scott declared in this memorandum that the destruction and dispersion of the Villa band "had been accomplished," yet American forces are not withdrawn from Mexico. It is only necessary to read the memorandum, which is in the English language, to ascertain thas this is clearly a misstatement, for the memorandum states that "the American punitive ex-

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peditionary forces have destroyed or dispersed many of the lawless elements and bandits, * * * or have driven them far into the interior of the Republic of Mexico," and further, that the United States forces were then "carrying on a vigorous pursuit of such small numbers of bandits or lawless elements as may have escaped." The context of your note gives the impression that the object of the expedition being admittedly accomplished, the United States had agreed in the memorandum to begin withdrawal of its troops.

The memorandum shows, however, that it was not alone on account of partial dispersion of the bandits that it was decided to begin the withdrawal of American forces, but equally on account of the assurances of the Mexican Government that their forces were "at the present time being augmented and strengthened to such an extent that they will be able to prevent any disorders occuring in Mexico that would in any way endanger American territory," and that they would "continue to diligently pursue, capture, or destroy any lawless bands of bandits that may still exist or hereafter exist in the northern part of Mexico," and that it would "make a proper distribution of such of its forces as may be necessary to prevent the possibility of invasion of American territory from Mexico." It was because of these assurances and because of Gen. Scott's confidence that they would be carried out that he stated in the memorandum that the American forces would be "gradually withdrawn." It is to be noted that, while the American Government was willing to ratify this agreement, Gen. Carranza refused to do so, as Gen. Obregon stated, because, among other things, it imposed improper conditions upon the Mexican Government.

Notwithstanding the assurances in the memorandum, it is well known that the forces of the de facto government have not carried on a vigorous pursuit of the remaining bandits and that no proper distrubution of forces to prevent the invasion of American territory has been made, as will be shown by the further facts hereinafter set forth. I am reluctant to be forced to the conclusion which might be drawn from these circumstances that the de facto government, in spite of the crimes committed and the sinister designs of Villa and his followers, did not and does not now intend or desire that these outlaws should be captured, destroyed, or dispersed by American troops or, at the request of this Government, by Mexican troops.

While the conferences at El Paso were in progress, and after the American conferees had been assured on May 2 that the Mexican forces in the northern part of the Republic were then being augmented so as to be able to prevent any disorders that would endanger American territory, a band of Mexicans, on the night of May 5, made an attack at Glenn Springs, Tex., about 20 miles north of the border, killing American soldiers and civilians, burning and sacking property, and carrying off two Americans as prisoners. Subsequent to this event, the Mexican Government, as you state, "gave instructions to Gen. Obregon to notify that of the United States that it would not permit the further passage of American troops into Mexico on this account, and that orders had been given to all military commanders along the frontier not to consent to same." This Government is, of course, not in a position to dispute the statement that these instructions had been given to Gen. Obregon, but it can decisively assert that Gen. Obregon never gave any such notification to Gen. Scott or Gen. Funston or, so far as known, to any other American official. Gen. Obregon did, however, inquire as to whether American troops had entered Mexico in pursuit of the Glenn Springs raiders, and Gen. Funston stated that no orders had been issued to American troops to cross the frontier on account of the raid, but this statement was made before any such orders had been issued, and not afterwards, as the erroneous account of the interview given in your note would appear to indicate. Moreover, no statement was made by the American generals that "no more American troops would cross into our territory."

On the contrary it was pointed out to Gen. Obregon and to Mr. Juan Amador, who was present at the conference, and pointed out with emphasis, that the bandits De la Rosa and Pedro Vino, who had been instrumental in causing the invasion of Texas above Brownsville, were even then reported to be arranging in the neighborhood of Victoria for another raid across the border, and it was made clear to Gen. Obregon that if the Mexican Government did not take immedate steps to prevent another invasion of the United States by these marauders, who were frequently seen in the company of Gen. Nafarrete, the Constitutionalist commander, Mexico would find in Tamaulipas another punitive expedition similar to that then in Chihuahua. American troops crossed into Mexico on May 10, upon notification to the local military

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authorities, under the repudiated agreement of March 10-13, or in any event in accordance with the practice adopted over 40 years ago, when there was no agreement regarding pursuit of marauders across the international boundary. These troops penetrated 158 miles into Mexican territory in pursuit of the Glenn Springs marauders without encountering a detachment of Mexican troops or a single Mexican soldier. Further discussion of this raid, however, is not necessary, because the American forces sent in pursuit of the bandits recrossed into Texas on the morning of May 22, the date of your note under consideration—a further proof of the singleness of purpose of this Government in endeavoring to quell disorder and stamp out lawlessness along the border.

During the continuance of the El Paso conference, Gen. Scott, you assert, did not take into consideration the plan proposed by the Mexican Government for the protection of the frontier by the reciprocal distribution of troops along the boundary. This proposition was made by Gen. Obregn a number of times, but each time condition upon the immediate withdrawal of American troops, and the Mexican conferees were invariably informed that immediate withdrawal could not take place, and that therefore in was impossible to discuss the project on that basis.

I have noted the fact that your communication is not limited to a discussion of the deplorable condition existing along the border and their important bearing on the peaceful relation of our Governments, but that an effort is made to connect it with other circumstances in order to support, if possible, a mistaken interpretation of the attitude of the Government of the United States toward Mexico. You state in effect that the American Government has placed every obstacle in the way of attaining the pacification of Mexico, and that this is shown by the volume of diplomatic representations in behalf of American interests which constantly impede efforts to reorganize the political, economical, and social conditions of the country; by the decided aid lent at one time to Villa by American officers and by the Department of State; by the aid extended by the American Catholic clergy to that of Mexico; by the constant activity of the American press in favor of intervention and the interests of American business men; by the shelter and supply of rebels and conspirators on American territory; by the detention of shipments of arms and munitions purchased by the Mexican Government; and by the detention of machinery intended for their manufacture.

In reply to this sweeping charge, I can truthfully affirm that the American Government has given every possible encouragement to the de facto Government in the pacification and rehabilitation of Mexico. From the moment of its recognition it has had the undivided support of this Government. An embargo was placed upon arms and ammunition going into Chihuahua, Sonora, and Lower California, in order to prevent their falling into the hands of the armed opponents of the de facto Government. Permission has been granted from time to time, as requested, for Mexican troops and equipment to taverse American territory from one point to another in Mexico in order that the operations of Mexican troops against Villa and his frees might be facilitated.

In view of these friendly acts, I am surprised that the de facto Government has construed diplomatic representations in regard to the unjust treatment accorded American interests, private assistance to opponents to the de facto Government by sympathizers in a foreign country, and the activity of a foreign press as interference by the United States Government in the domestic politics of Mexico. If a denial is needed that this Government has had ulterior and improper motives in its diplomatic representations, or has countenanced the activities of American sympathizers and the American press opposed to the de facto Government, I am glad most emphatically to deny it. It is, however, a matter of common knowledge that the Mexican press has been more active than the press in the United States in endeavoring to influence the two peoples against each other and to force the two countries into hostilities.

With the power of censorship of the Mexican press so rigorously exercised by the de facto Government, the responsibility for this activity can not, it would seem, be avoided by that Government, and the issue of the appeal of Gen. Carranza himself, in the press of March 12, calling upon the Mexican people to be prepared for any emergency which might arise, and intimating that war with the United States was imminent, evidences the attitude of the

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de facto Government toward these publications. It should not be a matter of surprise that, after such manifestations of hostile feeling, the United States was doubtful of the purpose for which the large amount of ammunition was to be used which the de facto Government appeared eager to import from this country. Moreover, the policy of the de facto Government in refusing to cooperate and in failing to act independently in destroying the Villa bandits and in otherwise suppressing outlawry in the vicinity of the border so as to remove the danger of war materials, while passing southward through this zone, falling into the hands of the enemies of law and order is, in the opinion of this Government, a sufficient ground, even if there were no other, for the refusal to allow such materials to cross the boundary into the bandit-infested region. To have permitted these shipments without careful scrutiny would, in the circumstances, have been to manifest a sense of security which would have been unjustified.

Candor compels me to add that the unconcealed hostility of the subordinate military commanders of the de facto Government toward the American troops engaged in pursuing the Villa bands and the efforts of the de facto Government to compel their withdrawal from Mexican territory by threats and show of military force instead of by aiding in the capture of the outlaws, constitute a menace to the safety of the American troops and to the peace of the border. As long as this menace continues and there is any evidence of an intention on the part of the de facto Government or its military commanders to use force against the American troops instead of cooperating with them, the Government of the United States will not permit munitions of war or machinery for their manufacture to be exported from this country to Mexico.

As to the shelter and supply of rebels and conspirators on American territory, I can state that vigorous efforts have been and are being made by the agents of the United State to apprehend and bring to justice all persons found to be conspiring to violate the laws of the United States by organizing to oppose with arms the de facto Government of Mexico. Political refugees have undoubtedly sought asylum in the United States, but this Government has vigilantly kept them under surveillance and has not hesitated to apprehend them upon proof of their criminal intentions, as the arrest of Gen. Huerta and others fully attests.

Having corrected the erroneous statements of fact to which I have adverted the real situation stands forth in its true light. It is admitted that American troops have crossed the international boundary in hot pursuit of the Columbus raiders and without notice to or the consent of your Government; but the several protestations on the part of this Government by the President, by this department, and by other American authorities, that the object of the expedition was to capture, destroy, or completely disperse the Villa bands of outlaws or to turn this duty over to the Mexican authorities when assured that it would be effectively fulfilled, have been carried out in perfect good faith by the United States.

Its efforts, however, have been obstructed at every point; first, by insistence on a palpably useless agreement which you admit was either not to apply to the present expedition or was to contain impracticable restrictions on its organization and operation; then by actual opposition, encouraged and fostered by the de facto Government; to the further advance of the expedition into Villa territory, which was followed by the sudden suspension of all negotiations for an arrangement for the pursuit of Villa and his followers and the protection of the frontier; and finally by a demand for the immediate withdrawal of the American troops. Meantime conditions of anarchy in the border States of Mexico were continually growing worse. Incursions into American territory were plotted and perpetrated; the Glenn springs raid was successfully executed, while no effective efforts were being made by Gen. Carranza to improve the conditions and to protect American territory from constant threat of invasion.

In view of this increasing menace, of the inactivity of the Carranza forces, of the lack of cooperation in the apprehension of the Villa bands, and of the known encouragement and aid given to bandit leaders, it is unreasonable to expect the United States to withdraw its forces from Mexican territory or to prevent their entry again when their presence is the only check upon further bandit outrages and the only efficient means of protecting American lives and homes—safeguards which Gen. Carranza, though internationally obligated to supply, is manifestly unable or unwilling to give.

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In view of the actual state of affairs as I have outlined it above, I am now in a position to consider the conclusion which you have drawn in your note under acknowledgment from the erroneous statements of fact which you have set forth.

Your Government intimates, if it does not openly charge, that the attitude of the United States is one of insincerity, distrust, and suspicion toward the de facto Government of Mexico, and that the intention of the United States in sending its troops into Mexico is to extend its sovereignty over Mexican territory, and not merely for the purpose of pursuing marauders and preventing future raids across the border. The de facto Government charges by implication which admits of but one interpretation that this Government has as its object territorial aggrandizement, even at the expense of a war of aggression, against a neighbor weakened by years of civil strife. The Government of the United States, if it had had designs upon the territory of Mexico, would have had no difficulty in finding during this period of revolution and disorder many plausible arguments for intervention in Mexican affairs. Hoping, however, that the people of Mexco would through their own efforts restore peace and establish an orderly government, the United States has awaited with patience the consummation of the revolution.

When the superiority of the revolutionary faction led by Gen. Carranza became undoubted the United States, after conferring with six others of the American Republics, recognized unconditionally the present de facto Government. It hoped and expected that that Government would speedily restore order and provide the Mexican people and others, who had given their energy and substance to the development of the great resources of the Republic, opportunity to rebuild in peace and security their shattered fortunes.

This Government has waited month after month for the consummation of its hope and expectation. In spite of increasing discouragements, in spite of repeated provocations to exercise force in the restoration of order in the northern regions of Mexico, where American interests have suffered most seriously from lawlessness, the Government of the United States has refrained from aggressive action and sought by appeals and moderate, though explicit, demands to impress upon the de facto Government the seriousness of the situation and to arouse it to its duty to perform its international obligations toward citizens of the United States who had entered the territory of Mexico or had vested interests within its boundaries.

In the face of constantly renewed evidence of the patience and restraint of this Government in circumstances which only a Government imbued with unselfishness and a sincere desire to respect to the full the sovereign rights and national dignity of the Mexican people would have endured, doubts and suspicions as to the motives of the Government of the United States are expressed in your communication of May 22, for which I can imagine no purpose but to impugn the good faith of this Government, for I find it hard to believe that such imputations are not universally known to be without the least shadow of justification in fact.

Can the de facto Government doubt that, if the United States had turned covetous eyes on Mexican territories, it could have found many pretexts in the past for the gratification of its desire? Can that Government doubt that months ago, when the war between the revolutionary factions was in progress, a much better opportunity than the present was afforded for American intervention, if such has been the purpose of the United States as the de facto Government now insinuates? What motive could this Government have had in refraining from taking advantage of such opportunities other than unselfish friendship for the Mexican Republic? I have, of course, given consideration to your argument that the responsibility for the present situation rests largely upon this Government. In the first place you state that even the American forces along the border, whose attention is undivided by other military operations, "Find themselves physically unable to protect effectively the frontier on the American side."

Obviously, if there is no means of reaching bands roving on Mexican territory and making sudden dashes at night into American territory it is impossible to prevent such invasion unless the frontier is protected by a cordon of troops. No government could be expected to maintain a force of this strength along the boundary of a nation with which it is at peace for the purpose of resisting the onslaught of a few bands of lawless men, especially when the neighboring State makes no effort to prevent these attacks. The most effective method of preventing raids of this nature, as past experience has fully demonstrated, is

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to visit punishment or destruction on the raiders. It is precisely this plan which the United States desires to follow along the border without any intention of infringing upon the sovereign rights of her neighbor, but which, although obviously advantageous to the de facto Government, it refuses to allow or even countenance. It is in fact protection to American lives and property about which the United States is solicitous and not the methods of ways in which that protection should be accomplished.

If the Mexican Government is unwilling or unable to give this protection by preventing its territory from being the rendezvous and refuge of murderers and plunderers, that does not relieve this Government from its duty to take all the steps necessary to safeguard American citizens on American soil. The United States Government can not and will not allow bands of lawless men to establish themselves upon its borders with liberty to invade and plunder American territory with impunity, and when pursued to seek safety across the Rio Grande, relying upon the plea of their Government that the integrity of the soil of the Mexican Republic must not be violated.

The Mexican Government further protests that it has "made every effort on its part to protect the frontier" and that it is doing "all possible to avoid a recurrence of such acts." Attention is again invited to the well-known and unrestricted activity of De la Rosa, Aniceto Pizana, Pedro Vinos, and others in connection with border raids and to the fact, as I am advised, up to June 4 De la Rosa was still collecting troops at Monterey for the openly avowed purpose of making attacks on Texan border towns, and that Pedro Vino was recruiting at another place for the same avowed purpose. I have already pointed out the uninterrupted progress of Villa to and from Columbus and the fact that the American forces in pursuit of the Glenn Springs marauders penetrated 168 miles into Mexican territory without encountering a single Carrancista soldier. This does not indicate that the Mexican Government is doing "all possible"; this is not sufficient to prevent border raids, and there is every reason, therefore, why this Government must take such preventive measures as it deems sufficient.

It is suggested that injuries suffered on account of bandit raids are a matter of "pecuniary reparation," but "never the cause for American forces to invade Mexican soil." The precedents which have never been established and maintained by the Government of the Mexican Republic for the last half century do not bear out this statement. It has grown to be almost a custom not to settle depredations of such bandits by payments of money alone, but to quell such disorders and to prevent such crimes by swift and sure punishment.

The de facto Government finally argues that "if the frontier were duly protected from incursions from Mexico there would be no reason for the existing difficulty"; thus the de facto Government attempts to absolve itself from the first duty of any government, namely, the protection of life and property. This is the paramount obligation for which governments are instituted, and governments neglecting or failing to perform it are not worthy of the name. This is the duty for which Gen. Carranza, it must be assumed, initiated his revolution in Mexico and organized the present Government, and for which the United States Government recognized his Government as the de facto Government of Mexico. Protection of American lives and property, then, in the United States is, first, the obligation of this Government, and in Mexico is, first, the obligation of Mexico and, second, the obligation of the United States. In securing this protection along the common boundary the United States has a right to expect the cooperation of its neighboring Republic, and yet instead of taking steps to check or punish the raiders the de facto Government demurs and objects to measures taken by the United States. The Government of the United States does not wish to believe that the de facto Government approves these marauding attacks, yet as they continue to be made they show that the Mexican Government is unable to repress them. This inability, as this Government has had occasion in the past to say, may excuse the failure to check the outrages complained of, but it only makes stronger the duty of the United States to prevent them, for if the Government of Mexico can not protect the lives and property of Americans exposed to attack from Mexicans the Government of the United States is in duty bound, so far as it can, to do so.

In conclusion, the Mexican Government invites the United States to support its "assurance of friendship with real and effective acts," which "can be no other than the immediate withdrawal of American troops." For the reasons I have herein fully set forth, this request of the de facto Government can not now be entertained. The United States has not sought the duty which has been

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forced upon it of pursuing bandits who, under fundamental principles of municipal and international law, ought to be pursued and arrested and punished by the Mexican authorities. Whenever Mexico will assume and effectively exercise that responsibility, the United States, as it has many times before publicly declared, will be glad to have this obligation fulfilled by the de facto Government of Mexico. If, on the contrary, the de facto Government is pleased to ignore this obligation, and to believe that "in case of a refusal to retire these troops there is no further recourse than to defend its territory by an appeal to arms," the Government of the United States would surely be lacking in sincerity and friendship if it did not frankly impress upon the de facto Government that the execution of this threat will lead to the gravest consequences. While this Government would deeply regret such a result, yet it can not recede from its settled determination to maintain its national rights and to perform its full duty in preventing further invasions of the territory of the United States and in removing the peril which Americans along the international boundary have borne so long with patience and forbearance.

Accept, etc.,

ROBERT LANSING.

The report of the Secretary of State has my approval.

WOODROW WILSON.

THE WHITE HOUSE.

The CHAIRMAN. Have you had any experience with the different Governments of Mexico with reference to the surrender or extradition of fugitives from justice?

Mr. VALLS. I have had a great deal of experience with them. In prior times, when Gen. Diaz was in power—I refer to him as Gen. Diaz all the time; I can't help it—these matters were a pleasure to me. Inside of 60 or 90 days the fugitive was always surrendered to the officers of Texas. No matter whether the fugitive be Mexican or an American citizen, no stress was laid on that point. I don't recall a single instance where the extradition was refused, and I have handled a great many cases of extradition. They tell me that one of the last official acts Gen. Diaz did was to grant the extradition of a very notorious criminal, a desperate outlaw, known by the name of Dionisio Martinez. I went across the river to receive him in company with Sheriff Will Wright, who is now a Ranger captain. Gen. Diaz had left on the *Yperanga* a few days before his surrender was refused, and shortly after that he was allowed to escape from jail. His extradition was again requested—again and again—and that man to-day, Senator, is holding a commission as a captain in the Carranza army in New Laredo, under Crecencio Barrera, who committed a most cruel murder in Zapata County. I demanded his extradition. He was found in Mier, Mexico; and that man is to-day holding a commission in the Mexican Army—Crecencio Barrera.

The CHAIRMAN. His extradition having been refused?

Mr. VALLS. No attention paid to our requests.

The CHAIRMAN. Your experience leads you to believe that one of the qualifications which might earn a man a commission in the Carranza army, as a captain at least, should be that he should have murdered some one and be a fugitive from justice on this side of the river?

Mr. VALLS. Looks very much like it, Senator. Then, we had three well-known desperate outlaws who went to the ranch of Mr. Ignacio Benavidez, the president of the First State Bank & Trust Co., of Laredo. They tied his men, they stole nine of his best horses, and three days afterwards the Carranza commander in the city of Guerrero was seen riding the best horse in the bunch. And I re-

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quested the extradition of these men and nothing was ever done, and they are also in the army of President Carranza.

The CHAIRMAN. Corroborative evidence of the statement you have just made as to the qualification?

Mr. VALLS. I might give you a number of instances, but it would just tire you and I don't ask for extradition any more.

The CHAIRMAN. On June 19, 1917, Zimmerman, at that time, I believe, subsecretary of foreign affairs of the German Government, sent to Von Eckhardt, then German ambassador in Mexico, certain copies of instructions, the originals of which were obtained by the Government of the United States and given by the President of the United States to the public and to Congress. You stated that you had read it but don't recall the terms of it. Do you recall—I will call your attention to one or two passages in it.

"We (meaning Germany) shall give general financial support (to Mexico) and it is understood that Mexico is to reconquer the lost territory in New Mexico, Texas, and Arizona, and in which Von Eckhart was further instructed to suggest to Mexico that its President—that is, V. Carranza—on his own initiative should communicate with Japan suggesting adherence conditions to this plan and at the same time offer to mediate between Germany and Japan.

"In pursuing its line of investigation there came into the hands of the committee a paper which the committee is precluded for very grave reasons from quoting in full, but for the authenticity of which the committee vouches, in which it is stated that a high official of Mexico would communicate to another high official that the 'treaty with Japan is coming along,' and that the writer is convinced of the great advantage which it would bring Mexico for its national integrity. The committee is also in possession of certain official statements to the effect that great commercial activity might be started in Mexico by reason of the initiative of wealthy Germans, to whom the Mexican Government has the intention of lending its decided support."

Mr. VALLS. I recall that; yes, sir.

The CHAIRMAN. Something sounds a little familiar to you compared with this plan of San Diego?

Mr. VALLS. Yes, sir.

The CHAIRMAN. Did it appear any more preposterous to you than the plan of San Diego did in the early spring of 1915?

Mr. VALLS. Coming from the Carranza government, it didn't surprise me much, Senator.

The CHAIRMAN. These raids that finally formed in the mind of the witness that this plan of San Diego meant something continued along in 1915, disturbances of all kinds, up until the middle of 1916, and the Zimmerman note suggesting the same thing came along in the early part of 1917. Now, we propose to show or have shown already by evidence in this case that the same thing is still in the mind of Mr. Carranza, as shown by correspondence which we have on file. His own correspondence. For instance, the letter of Mr. Carranza, dated—

MEXICO, *June 14, 1919.*

Señor LIC. MANUEL AGUIRRE BERLANGA.

ESTEEMED FRIEND: Señor Lino Caballo, bearer of this letter, is the person who, in company with two friends, will bring to you the manifestos and the plan which they desire to put into practice in the State of Texas.

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This plan being very favorable for Mexico, please aid them in every way and give the necessary instructions in the frontier States.

I remain, your affectionate friend,

V. CARRANZA.

Did you have any reason to notice any German propaganda along the border among the Mexicans?

Mr. VALLS. Oh, a great deal of it.

The CHAIRMAN. During the war?

Mr. VALLS. Yes, sir; a great deal.

The CHAIRMAN. Do you happen to know—I presume, however, it is useless to ask you this question—one Gen. Klos in the City of Mexico; do you know how he is employed, what he is doing?

Mr. VALLS. No; how do you spell that name?

The CHAIRMAN. K-l-o-s-s or K-l-o-o-s. Do you know Gen. Pablo Gonzales?

Mr. VALLS. Yes, sir.

The CHAIRMAN. Do you know his wife?

Mr. VALLS. No, sir.

The CHAIRMAN. Do you know what descent his wife is?

Mr. VALLS. No, sir.

The CHAIRMAN. What nationality?

Mr. VALLS. No, sir.

The CHAIRMAN. Do you know a certain German now in custody in this country known as L. Witzke?

Mr. VALLS. No, sir; I don't remember the name, Senator; there are so many of them I don't recall the name.

The CHAIRMAN. Judge, unless you desire to make some further statement yourself, we thank you very much, sir, for the exceedingly lucid and interesting and beautiful statement, as my colleague remarked, that you have given the committee.

Mr. VALLS. Thank you, sir.

TESTIMONY OF CAPT. W. M. HANSON.

(The witness was duly sworn by Dan M. Jackson, Esq., clerk of the subcommittee, duly authorized thereto.)

The CHAIRMAN. Capt. Hanson, you are connected with this committee, in this investigation, are you?

Capt. HANSON. Yes, sir.

The CHAIRMAN. What is your official position aside from that?

Capt. HANSON. I am senior captain of the Texas Ranger force.

The CHAIRMAN. In your investigations and also in the performance of your official duties, have you been brought in contact with one L. Witzke?

Capt. HANSON. I have.

The CHAIRMAN. Where is he now?

Capt. HANSON. He is at Fort Sam Houston, in custody.

The CHAIRMAN. Under what condition is he in custody?

Capt. HANSON. I understand he is under sentence of death as a German spy during the war.

The CHAIRMAN. Did you, at any time, in the presence of anyone else, or alone, interview this man Witzke?

Capt. HANSON. I did.

The CHAIRMAN. In whose presence?

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Capt. HANSON. Capt. Kile of the Intelligence Department of the United States.

The CHAIRMAN. Was there a statement made by Witzke at that time?

Capt. HANSON. There was.

The CHAIRMAN. A voluntary statement?

Capt. HANSON. A voluntary statement.

The CHAIRMAN. In the course of that statement was the name of Mario Mendez mentioned?

Capt. HANSON. Yes, sir.

The CHAIRMAN. Was this statement taken down in writing?

Capt. HANSON. Yes, sir.

The CHAIRMAN. Who took it down?

Capt. HANSON. I took it down in longhand, and later Capt. Kile had it typewritten.

The CHAIRMAN. I have here in my hand a typewritten purported statement.

Capt. HANSON. Yes, sir.

The CHAIRMAN. Is this the same one that was prepared by Capt. Kile of the Intelligence Department?

Capt. HANSON. That is the one.

The CHAIRMAN. Taken down by you and in the presence of Capt. Kile?

Capt. HANSON. Yes, sir.

The CHAIRMAN. Did, or did not this German spy Witzke state to yourself and Capt. Kile at that time that Mario Mendez, Minister of Telegraph, was in the pay of the German Government; that is, Minister of Telegraph in the Mexican Government?

Capt. HANSON. Yes, sir; he did.

The CHAIRMAN. His pay was paid through Carranza, who was repaid by the German citizens of Mexico?

Capt. HANSON. Yes, sir.

The CHAIRMAN. Is this Mario Mendez the same Mario Mendez whose name has just been mentioned by the preceding witness in connection with the plan of San Diego?

Capt. HANSON. Yes, sir.

The CHAIRMAN. That is all at this time.

Senator FALL. In consultation with my colleague we have decided that we would now state in the record that we have in our possession documentary evidence concerning the connection of certain Mexican officials with the plan of San Diego and the raids upon this side of the river, corroborating the statements which have already been made and elaborating to some extent upon those statements, throwing additional light upon them. We expect to place a witness upon the stand later to identify, if necessary, the documents in the possession of the Department of State of the United States of America and of this committee. We expect to show the connection of Manuel Ochoa, of Carranza's staff; that he introduced the witness to Agustin Garza, alias Leon Caballo, as has been testified to, who was mentioned in the Carranza letter of June 14, 1919, and who is shown to be identified as Agustin Garza, one of the signers and framers of the original plan of San Diego. We will show that Agustin Garza recently had an office at No. 17 Avenida Independencia, in the City of Mexico; that he was there consorting with Fortunato Zuazua,

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supposed to be a general in the Mexican Army; that the witness asked Zuazua and Ochoa whether Carranza knew personally of the plan of San Diego; that he was assured that Carranza did know it, and that any connection which the witness might have with the plan of San Diego or the Texas revolution would assure him absolute and ample protection; that the witness then consulted Minister Acuña upon the subject, explaining fully the propositions made by Garza. Acuña advised the witness to accept the proposition and to assist in the plan of San Diego or the Texas revolution.

The witness had an office in the same building with Zuazua and was enabled to observe the movements of the leaders of the Plan of San Diego, especially of Jacobo Ayala Villareal, treasurer to Gen. Zuazua, prominently identified, as testified to in connection with this plan, and that as testified to Villareal was subsequently collector of customs in the Carranza government at Naco, Sonora, and is now in charge of the office under the Mexican Government at Matamoros; that while connected with Gen. Suazua, and in communication with the other officials of the Mexican Government, the witness came in contact in the office at Avenida Independencia No. 17, with Pablo Nago, a Jap, whom the witness will testify was living under an assumed name—in other words, that Nago was not his correct name; that Nago was connected with Carranza and Acuña while they were at Vera Cruz in 1914-1915; that Nago was a go-between and constantly in touch with the witness and with those who were formulating and carrying out the Plan of San Diego; that he was also in touch with the witness and Nago, with Gen. Zuazua and others, with Gen. Pablo Gonzalez at Tacubaya; that Zuazua and the Jap obtained money, 10,000 pesos in Carranza money and a thousand dollars in American gold from Pablo Gonzalez; that the gold money was stated by Garza to be intended for the use of a negro in the United States who had been employed to endeavor to secure a revolt among the negro troops on the American side of the border. The witness afterwards came in contact with this negro but did not learn his name. The witness was also in contact with Maurillo Rodriguez, a nephew of Gen. Carranza, who was a friend of Gen. Pablo Gonzalez, and one of the leaders in the Plan of San Diego; that he was constantly at the office of Zuazua, where arms and ammunition were furnished him for the Texas revolution, and passes to Monterrey for himself and 25 men, including 7 or 8 Japanese, were issued to him by Gen. Juan Barragan, chief of staff of the Carranza army; that the witness came in touch with Mario Mendez, who, as has been testified to here, occupies a prominent position in the Carranza administration and was prominently identified with the Plan of San Diego. That the witness talked over with Mendez the details of the plan and was told of various matters by Mendez. Through Capt. Hanson's testimony of the statement of Witzke he was shown at this time to have been in the employ of the German Government. That the witness was directed to Gen. Candido Aguilar, minister of foreign affairs of the Mexican Government under Carranza, by Mendez; that he was taken by Mendez's secretary to see the private secretary of Gen. Carranza, Garzaya Ugarte; he came in connection at this time with Gen. Esteban Fierros, as he, Gen. Fierros, returned from Tampico accompanied by Gen. Luis de la Rosa; that he, de la Rosa, at the time of the witness's testimony very recently was occupied in

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some capacity at Chapultepec, that the passes of some of the men sent to the northern part of the Republic from the City of Mexico to accompany Gen. Zuazua in carrying out the Plan of San Diego were furnished by Gen. Juan Barragan, of the Carranza army, chief of staff.

The witness talked to de la Rosa and Fierros about the futility of their attempts on Texas, and was assured by de la Rosa that he had been able to keep 5,000 United States soldiers busy along the border with 50 men; that when de la Rosa went to Monterrey that Agustin Garza, or Leon Caballo, also left Mexico City for Monterrey, and that the office at No. 17 Avenida Independencia was then closed. That the Jap mentioned, Pablo Nago, informed the witness that Mario Mendez had instructed him to proceed to Monterrey with money to pay off the men under Garza. Witness knows that Nago went to Monterrey for such purpose. The witness was in Mexico when the Japanese who had accompanied Col. Maurillo Rodriguez to the border returned. He had a conversation with Nago, who informed him that they had come back because the Japanese minister had ordered them to do so under the penalty of forfeiting their rank. These two of them were officers in the Japanese army. One of them had attended officially the jubilee of Queen Victoria; another was an engineer; all were Japanese officers.

Various other matters of interest along this line will be shown by the documents, if we are unable to secure the presence of the witness to testify fully.

(Thereupon the session at 12.30 o'clock p. m. recessed until 2.30 o'clock p. m. of the same day.)

AFTER RECESS.

Senator FALL. Continuing the statement as to what the committee will prove later—the committee has in its possession, in addition to the letter from Mr. Carranza which was read into the record, and which letter is dated June 14, 1919, another letter, dated in August, 1919, signed by V. Carranza, directing Aguirre Berlanga, minister of Gobernacion, to place upon the pay roll and afford all financial assistance to one Juan M. Garcia and two Americans from Texas, whom the committee will expect to show are the same two men referred to in the letter of June 14 as having the plan which was of benefit to Mexico and concerning which instructions were to be given to the frontier States of Mexico.

The committee has in its possession, and there is also on file with another department of this Government, the minutes of a meeting of Lodge 23, of the City of Mexico, held on October 15, 1919. Lodge 23 appears to be an association of extreme radical anarchistic elements in the City of Mexico.

The committee expects to show that the two men referred to in the two letters from Carranza, accompanied by Lino Caballo—Agustin Garza—were present at the meeting of this lodge, and that at this meeting, with these three delegates present, two being Americans who had arrived from the United States, these men claimed that the "Society," as they called it, would be able at the beginning of November—that is, November of this past year, 1919—to call a general strike of all miners and metal workers in the United States; that

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they had 3,000,000 adherents in this country, where they expected to seize one western and two Atlantic ports; that a large number of American soldiers were preparing to take sides with them; and that they proposed to establish a capital of a reformed government of the United States in the State of Colorado, and that when such revolution was successful, the Mexicans having rendered their assistance, the border States which were acquired by the United States under the treaty of 1848 would be returned to Mexico.

The committee will introduce this verbatim copy of the minutes of these proceedings later, for the purpose of connecting up with the original plan of San Diego, which has been testified to, the resuscitated plan as announced in the Zimmerman note, and the plan which was approved by Mr. Carranza, as by photographic copies of his letters now in our possession under date of June 14 and August, 1919.

DR. PAUL BERNARDO ALTENDORF.

(The witness was duly sworn by Dan M. Jackson, Esq., clerk of the subcommitte, duly authorized thereto.)

The CHAIRMAN. State your full name in the record?

Dr. ALTENDORF. Paul Bernardo Altendorf.

The CHAIRMAN. Of what country are you a citizen?

Dr. ALTENDORF. Of this country.

The CHAIRMAN. Of what country are you—you are a citizen of this country?

Dr. ALTENDORF. Yes, sir.

The CHAIRMAN. Speak a little louder, Doctor?

Dr. ALTENDORF. Yes, sir.

The CHAIRMAN. Of what country are you a native?

Dr. ALTENDORF. Poland.

The CHAIRMAN. Doctor, what has been your business during the recent war, and where have you been for a greater portion of the time?

Dr. ALTENDORF. I have been in south Mexico, in 1914, before the war broke out, Senator—I was practicing medicine there.

Senator SMITH. What—I can not hear you.

Dr. ALTENDORF. I have been practicing medicine there.

The CHAIRMAN. Practicing medicine in southern Mexico in 1914?

Dr. ALTENDORF. Yes, sir; at Merida.

The CHAIRMAN. After the war broke out what was your business, if any?

Dr. ALTENDORF. When the United States declared war on Germany I knew all the interests that the Germans were doing with the Mexican Government in Mexico City, and I saw also some of this German spy system in Merida, receiving the beer from Milwaukee, and on the labels inside written in invisible ink, and I got hold of information through the German club in Merida, and I knew some Americans down there at the hotel in Merida and told them about it.

The CHAIRMAN. Merida is in Yucatan?

Dr. ALTENDORF. Yes, sir; in Yucatan. So I wanted to go to the United States, but none of the American steamships would take me as an alien name, so I made up my mind to go by land. I intended to go at that time, but I was in trouble with Alvarado on account

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he was making a little propaganda down there in this Bolshiviki, so-called, so he told me I had 24 hours to leave Merida.

The CHAIRMAN. This was Salvador Alvarado?

Dr. ALTENDORF. Yes, sir.

The CHAIRMAN. At that time the governor of Yucatan?

Dr. ALTENDORF. Yes, sir.

The CHAIRMAN. Under the Carranza government?

Dr. ALTENDORF. Yes, sir. So I had to leave Merida that time in a great hurry; so I took a little boat from Campeche and went up to Fontera. On my arrval at Frontera there was an order from Alvarado that every citizen there, every American, must receive these "bilimbiques"—this paper money—that all silver must be turned in and gold. I went to the American consul there, and I had to be very careful because there was a lot of falsification going on there and we had to accept the paper. One of Alvarado's officers by name of Dominguez, he found me out, and they had been tracing me, so I took a boat quick the same night and went to Puerto Mexico, and from there fighting my way through with the rebels to Mexico City. There were some agents on the train to ask for such as were going into the hotels, and one of the agents that I saw was a Russian—I could speak Russian also, so I addressed him in Russian there, and he said there was a very fine German hotel there by the name of Juarez on Calle de Cuba in Mexico City, and I said, "Who is the proprietor?" He said, "The proprietor is Mr. Otto Paglash, a German." The next morning I looked up this man there, Mr. Paglash, and I introduced myself to him. He asked me a few questions, what I was doing there; I said, "I am coming in to buy some medicines and going back to Merida."

The CHAIRMAN. Now, Doctor, let me suggest to you that at the present time the committee does not desire to develop into that story.

Dr. ALTENDORF. Yes. I was just going to tell about this man. And he introduced me to this man Mendez; there were three brothers living in the hotel, paid by the German Government—board and lodging—and receiving at that time $600 American money salary, which means 1,200 pesos Mexican money, from the German ambassador, Von Eckhardt, a month.

The CHAIRMAN. Now, what Mendez?

Dr. ALTENDORF. Mario Mendez. He used to meet a man by the name of Kettenbach, down there—a criminal—and hand him over the wires that used to come from the United States to the American ambassador, and all kinds of communications from the United States.

The CHAIRMAN. That was Mario Mendez?

Dr. ALTENDORF. Yes, sir; that was Mario Mendez.

The CHAIRMAN. He was minister of telegraph?

Dr. ALTENDORF. Yes, sir; that is right.

The CHAIRMAN. And he would turn over to Von Eckhardt, the German ambassador——

Dr. ALTENDORF. Yes, sir.

The CHAIRMAN. The messages coming from the United States?

Dr. ALTENDORF. Yes, sir.

The CHAIRMAN. And he was in the employ of the German ambassador there?

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Dr. ALTENDORF. Yes, sir.

The CHAIRMAN. Receiving $600 a month?

Dr. ALTENDORF. Yes, sir; $600 a month.

The CHAIRMAN. Doctor, were you afterwards identified with the Intelligence Department of the United States Army?

Dr. ALTENDORF. Yes, sir.

The CHAIRMAN. In Mexico?

Dr. ALTENDORF. Yes, sir.

The CHAIRMAN. Did you have anything to do with this man Witsche?

Dr. ALTENDORF. Yes, sir; I was responsible for his arrest.

The CHAIRMAN. You were sent by the United States into Mexico to get Witsche out?

Dr. ALTENDORF. Yes, sir.

The CHAIRMAN. And it was through your evidence and that which you obtained that Witsche was sentenced to death?

Dr. ALTENDORF. Yes, sir.

The CHAIRMAN. Doctor, the committee desires to reserve your further testimony to a further hearing. At this point we simply wanted to identify Mendez through you. Thank you very much.

Dr. ALTENDORF. Yes, sir.

TESTIMONY OF MAJ. R. L. BARNES.

(The witness was duly sworn by Dan M. Jackson, Esq., clerk of the subcommittee, duly authorized thereto.)

The CHAIRMAN. What is your present occupation?

Maj. BARNES. I am with the claim department of the Travelers' Insurance Co., Hartford, Conn.

The CHAIRMAN. Are you a citizen of the United States, Major?

Maj. BARNES. Yes, sir.

The CHAIRMAN. Where were you born?

Maj. BARNES. Prentiss, Ky.

The CHAIRMAN. Where were you on or about February 14, 1912?

Maj. BARNES. I was residing in Washington at that time; was appointed special agent of the Department of Justice and assigned to the border.

The CHAIRMAN. When did you come to the border?

Maj. BARNES. I left Washington on the evening of the 14th of February.

Senator SMITH. What year?

Maj. BARNES. 1912, sir.

The CHAIRMAN. Where were you on December 13, 1913?

Maj. BARNES. That was the date I was placed in charge of the work of the San Antonio division of the bureau of investigation of the Department of Justice.

The CHAIRMAN. With your headquarters in this city?

Maj. BARNES. San Antonio; yes, sir.

The CHAIRMAN. San Antonio?

Maj. BARNES. Yes, sir.

The CHAIRMAN. What was your district?

Maj. BARNES. Including the States of Texas, Arizona, and New Mexico.

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The CHAIRMAN. In connection with your—or later, I will ask you first, did you hold a commission in the Army or in the War Department?

Maj. BARNES. Yes, sir; I was commissioned a major in the Army and——

The CHAIRMAN. About what date—October 28?

Maj. BARNES. October 28.

The CHAIRMAN. 1917?

Maj. BARNES. 1917. And was designated intelligence officer for the Southern Department on—and commenced the duties on November 9, 1917, for the purpose of organizing the military intelligence division forces to combat the German system in Mexico.

The CHAIRMAN. Yes, sir. During the course of your official investigations, in the discharge of your duties, did you come in contact with what is know as the plan of San Diego?

Maj. BARNES. Yes, sir; I first came in contact with that while I was with the Department of Justice.

The CHAIRMAN. Did you have anything to do with the investigation of that plan and those connected with it?

Maj. BARNES. Yes, sir; the special agents operating under me investigated it so far as it pertained to the Federal Government, and then I went to Brownsville and spent about three weeks or a month myself personally.

The CHAIRMAN. Yes, sir. Are you familiar with any of the raids——

Maj. BARNES. Yes, sir.

The CHAIRMAN. Which occurred about that time?

Maj. BARNES. Yes, sir.

The CHAIRMAN. Do you know anything about the Brownsville raids?

Maj. BARNES. Yes, sir; I used to be very familiar with them; I don't know that I can recall the dates exactly now, but I know in a general way all the information.

The CHAIRMAN. The Webb County raids?

Maj. BARNES. Yes, sir.

The CHAIRMAN. The Big Bend raids?

Maj. BARNES. San Igancio and Big Bend raids; yes, sir.

The CHAIRMAN. Do you know who gave, if anyone—who gave from Mexico, among the officials in Mexico, aid and assistance to this plan—in support of this plan and these raids?

Maj. BARNES. Gen. Nafarrate, who was in command of the district opposite Brownsville, was very active; one of his assistants, Col. Rodrigues, and Niceforo Zambrano, Gen. Zuazua, and there was some man connected with the railroad, I think, with headquarters at Monterrey—I don't recall his name; it might have been Fierros, or something of that kind.

The CHAIRMAN. Col. Fierros?

Maj. BARNES. I think that was the name; he was very active.

The CHAIRMAN. These men were all in the employ or associated with the Carranza Government?

Maj. BARNES. Yes, sir; they were the Carranza people.

The CHAIRMAN. Do you know any of the positions that have been held by Niceforo Zambrano?

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Maj. BARNES. He was at that time Treasurer General of Mexico, I think, and later became governor of——

The CHAIRMAN. Nuevo Leon?

Maj. BARNES. Nuevo Leon; yes, sir.

The CHAIRMAN. Gen. Nafarrate?

Maj. BARNES. Gen. Nafarrate was in command of that district there opposite Brownsville, I don't know just—he had headquarters at that time opposite Brownsville, later he was in Tampico, and at one time—I don't know—he was moved back from the border at one time on account of a protest from Americans, and—I don't know just what his position was then.

The CHAIRMAN. Did you know Luis de la Rosa, or did you investigate him?

Maj. BARNES. Yes, sir; I knew of him very well—I didn't know him personally, but I had his photograph turned over to me by the authorities.

The CHAIRMAN. Did you know Aniceto Pizana?

Maj. BARNES. Yes, sir; he was the leader of those two raids, they were associated as leaders in the Brownsville raids.

The CHAIRMAN. What was the occupation of those two men, do you know?

Maj. BARNES. Prior?

The CHAIRMAN. Yes, sir; and about that time?

Maj. BARNES. If I recall correctly, de la Rosa was a butcher at a little town there on this side of the border—or grocery keeper, I don't know which—I think he was a butcher, though; Pizana, I think, had a little ranch.

The CHAIRMAN. Were they the active leaders on this side in those raids?

Maj. BARNES. Yes, sir.

The CHAIRMAN. And do you know where they were received after their raids were over?

Maj. BARNES. Well, they were in Brownsville quite a while—I mean in Matamoros on the other side of the river, after the raids they used to be there, our men would report they were seen over there in uniforms, and later became a part of and were incorporated into the Mexican army.

The CHAIRMAN. Well, in these raids do you know where there were physical evidences of the fact that Carrancista soldiers were engaged in the raids?

Maj. BARNES. Yes, sir; we frequently found uniforms—Carranza uniforms with the usual epaulets, etc., and buttons and commissions.

The CHAIRMAN. Commissions?

Maj. BARNES. Commissions, and things of that nature, and letters and sometimes passes signed by some Carranza official.

The CHAIRMAN. Was that equally true of the Brownsville, Laredo, and Big Bend districts?

Maj. BARNES. Yes, sir.

The CHAIRMAN. As an official of this Government did you make any appeal or representations to the Carranza officials on the other side with reference to these raids at any time?

Maj. BARNES. Yes, sir; I had conferences with the Carranza officials with the idea of trying to cooperate with them to prevent the raids.

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They represented to me that they were not—they would do the best they could, but they were not hardly strong enough to handle the situation. Then we—on account of that condition and for the purpose of protecting the citizens in this country, we tried to secure advance information as when these raids would in the future take place, and in doing that we sent a number under cover of uniforms into Mexico.

The CHAIRMAN. Men in the employment of the Secret Service of the United States?

Maj. BARNES. Yes, sir; yes, sir, in our employment.

The CHAIRMAN. Of course you do not care to mention their names?

Maj. BARNES. No, sir; I do not care to mention their names.

The CHAIRMAN. You sent them into Mexico?

Maj. BARNES. Yes, sir.

The CHAIRMAN. To convey to you advance information of the dates of the raids?

Maj. BARNES. Yes, sir.

The CHAIRMAN. Because the Carrancista officers say they would do what they could but were not able to stop them?

Maj. BARNES. Yes, sir.

The CHAIRMAN. Now, what did your men discover and report to you as to the character of the actions of the Carrancista officials?

Maj. BARNES. Well; they soon reported that evidence was to the effect that the raids were actually supported and assisted by the Carranza officials.

The CHAIRMAN. And among them they also reported to you as supporting and assisting the raids were the names that you have given?

Maj. BARNES. Yes, sir.

The CHAIRMAN. Niceforo Zambrano?

Maj. BARNES. Yes, sir.

The CHAIRMAN. Gen. Nafarrate?

Maj. BARNES. Yes, sir.

The CHAIRMAN. Gen. Zuazua?

Maj. BARNES. Yes, sir.

The CHAIRMAN. Maurillo Rodriguez and others?

Maj. BARNES. Yes, sir.

The CHAIRMAN. Do you know anything about the attitude of Venustiano Carranza during the recent war between the United States and Germany?

Maj. BARNES. Decidedly pro-German and anti-American.

The CHAIRMAN. You know that from your investigations?

Maj. BARNES. I am very positive of it; yes, sir.

The CHAIRMAN. Made in pursuance of your official duties?

Maj. BARNES. Yes, sir.

The CHAIRMAN. Now, did he render any—did his officials render assistance to the Germans in Mexico?

Maj. BARNES. Yes, sir.

The CHAIRMAN. What was the nature of such assistance?

Maj. BARNES. Well, the—they would, in the first place their telegraph and wireless were available for getting messages from various officials in——

The CHAIRMAN. You say they were available. Were they actually used by the Germans?

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Maj. BARNES. Oh, they were used; yes, sir.

The CHAIRMAN. For the delivery of code messages?

Maj. BARNES. For the delivery of code messages. They were also given passes on the railroads.

The CHAIRMAN. Free passes on the railroads?

Maj. BARNES. Yes, sir; free passes. The officials in the various States were frequently instructed to render them assistance in any manner they could.

The CHAIRMAN. Could you mention any names of any prominent parties in Mexico—I mean Germans—connected with this German propaganda?

Maj. BARNES. Von Eckhardt was the German minister, but the German espionage system was in charge of a man named Jahnke—Kurt Jahnke.

The CHAIRMAN. Kurt Jahnke?

Maj. BARNES. Yes, sir. He also had under him, probably his best man, I guess, was Lathar Witsche, or this man Wabirski.

The CHAIRMAN. Is this the same man, Witsche, who is now under sentence of death, now in charge of the military?

Maj. BARNES. Yes, sir; I believe he is probably the same man.

The CHAIRMAN. Did you ever learn anything of Zeferino Martinez, now the governor of San Luis Potosi, in connection with the plan of San Diego, or did your investigations——

Maj. BARNES. I can not recall that name, sir; there are so many details, I have been out of touch with that situation for the last six or seven months, that I don't know.

The CHAIRMAN. What as to the official controlled press of Mexico, what was its attitude during the war toward the United States?

Maj. BARNES. Pro-German and very anti-American.

The CHAIRMAN. Pro-German?

Maj. BARNES. Yes, sir. El Democrata—there was a string of papers known as "El Democrata" that were particularly antagonistic.

The CHAIRMAN. Who was in charge of those papers, do you know?

Maj. BARNES. Rip Rip Martinez. I think he was later appointed ambassador to Japan.

The CHAIRMAN. What was the attitude of the Carranza government with reference to English papers that might display any feelings toward the United States or the Allies during the war?

Maj. BARNES. Antagonistic, sir. One of the most notable instances was probably the paper El Universal, was probably one of the most important papers that supported the United States during the war. Palavicini, who was the editor, was expelled.

The CHAIRMAN. Was this situation brought to the attention of the officials at Washington?

Maj. BARNES. Yes, sir.

The CHAIRMAN. What did Washington do, if anything, with reference to the attitude of the newspapers in Mexico?

Maj. BARNES. We tried to combat the German propaganda by cutting off their supply of newsprint so that they would not have anything to print papers on. Then, there was a decree issued by Carranza requiring that the import duties on this newsprint paper should be paid in kind, and the newsprint thus secured later be turned over to these official pro-German papers.

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The CHAIRMAN. It was turned over to the pro-German papers?

Maj. BARNES. That was the report given; yes, sir.

The CHAIRMAN. Was there any protection and assistance given by the Carranza authorities to American slackers during the war, if you know?

Maj. BARNES. Yes, sir.

The CHAIRMAN. Give an instance.

Maj. BARNES. Well, the most conspicuous instance is probably Lynn Gale, who published Gale's Magazine.

The CHAIRMAN. He is still publishing that magazine in Mexico?

Maj. BARNES. He is still publishing that in Mexico City. There were always slackers crossing the border, and they were always received with open arms, given all the assistance they needed, and they could go wherever they desired.

The CHAIRMAN. Did you investigate the case of Lynn Gale?

Maj. BARNES. Yes, sir. We gathered a great deal of information about Gale; we received a great deal of information through intercepted letters.

The CHAIRMAN. You did intercept letters from him to this country?

Maj. BARNES. Through the censorship; yes, sir.

The CHAIRMAN. Can you recall either of those letters—any of those letters, to whom they were addressed?

Maj. BARNES. Well, I can't recall. A great many of them were addressed to his family, and then some of them were addressed to other radicals in this country.

The CHAIRMAN. Have you had your attention called to the activities of a man by the name of Martens in New York?

Maj. BARNES. Yes, sir; the Russian so-called soviet ambassador.

The CHAIRMAN. Yes, sir; who has recently been arrested by the United States Government for his activities?

Maj. BARNES. Yes, sir.

The CHAIRMAN. Do you know whether any of these letters addressed by Gale was addressed to Martens, or did one of those come under your notice?

Maj. BARNES. I don't recall of ever having seen one addressed to Martens at that time, although there were so many of them I do not recall whether there was or not.

The CHAIRMAN. You have seen copies of Gale's Magazine, have you?

Maj. BARNES. Yes, sir.

The CHAIRMAN. It is avowedly engaged in bolshevik propaganda in Mexico, isn't it?

Maj. BARNES. Decidedly so; yes, sir.

The CHAIRMAN. The committee have here a copy of a letter under date of May 3, 1919, purporting to be written on the letter head of Gale's Magazine. I am going to read you the letter for the purpose of ascertaining whether this is along the general tenor of the letters which Mr. Gale was sending out.

Maj. BARNES. Yes, sir.

The CHAIRMAN (reading). "Journal of the New Civilization. Lynn A. E. Gale, editor and publisher, P. O. box 518, Mexico City, D. F., Mexico." Is that the address of this man?

Maj. BARNES. Yes, sir.

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The CHAIRMAN. Addressed to Mr. J. I. A. K. Martens, 299 Broadway, New York City. Dated May 3, 1919. [Reading:]

DEAR SIR: Knowing you are the financial agent of the Russian Soviet Government in New York, I take the liberty to write you and ask you if you can give me financial aid in my propaganda in Mexico. I have already sent you copies of Gale's Magazine. No doubt you are already familiar with it, or at least read the articles in the New York World and other papers, accusing me of being the leader of Bolshevik propaganda in Mexico, and other dire crimes.

Gale's Magazine was published a year in the United States, and resumed here in 1918, after Mrs. Gale and I moved here. It originally had 30,000 circulation in the United States, but lost most of those after we came here, for the censor would not let it circulate in the mails (when he was able to prevent it). However, a small number of copies have reached the United States each month, and a circulation of 10,000 has been gained in Mexico.

I wish now to publish another edition in Spanish, for it will be much more effective than the English edition, as the large majority of the people read and speak Spanish. I am about making expenses on the edition in English, and can do so on the Spanish edition with substantial profit if I can get funds for the original financing of the enterprise. If you could advance $10,000, I would be able to develop a tremendous circulation here in a few weeks, covering all Mexico and much of Central and South America.

On a separate sheet I have pasted clippings of some references to my honesty and ability. Suffice it to say, I was originally a Democrat, and as such was in the employ of the New York State Government under Govs. Sulzer and Glynn. The present governor, Al Smith, knows me well, and I was a legislative official when he was speaker of the assembly. I became an independent Democrat and finally a Socialist. When the war came I was drafted, but being opposed to war I left the United States and came to Mexico and made my home in this city. Since my arrival I have established very close relations with the Mexican Government, which I have urged to Bolshevickize the country, and which will, I believe, do so. I have been extended unusual help in various ways by President Carranza and his prime minister, Secretary Berlanga.

The two following paragraphs I shall not read; one of them is an enemy and the other contains the name of his correspondent in the United States through whom return mail is to be sent to him, and I do not care to give publicity to the name of that correspondent. This is signed "Yours for the Red Dawn," signed "Lynn A. E. Gale." In the correspondence which you intercepted from Gale were any of the names which were mentioned here given by him as reference?

Maj. BARNES. Yes, sir; very frequently. That is his history in New York—we investigated that, and that checks up with it very closely.

The CHAIRMAN. But you were investigating him because he had been drafted and escaped to Mexico?

Maj. BARNES. Yes, sir.

The CHAIRMAN. To avoid the draft?

Maj. BARNES. Yes, sir.

The CHAIRMAN. What have you to say, if anything, with reference to his statement that he was particularly close to the Carranza government?

Maj. BARNES. That is undoubtedly true, sir, because we have received numerous other reports that seemed to confirm that.

The CHAIRMAN. Some of the references, some of the parties to whom Mr. Gale—whose names he has mentioned here and to whom he has referred, have explained their indorsements of Mr. Gale, have they not—for instance, Gov. Glynn; do you remember any explanation made by him?

Maj. BARNES. I don't remember. At the time I left our service there had been no explanation requested at all.

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The CHAIRMAN. There had been no publicity given to this?

Maj. BARNES. No, sir. I know a number of times he would use, insert advertisements in his magazine in Mexico—for instance, the La Salle Extension University; we would call that to the attention of reputable firms in this country, and they would say they had not authorized him—had not advertised in his magazine, never authorized him to use it at all, and we would frequently find he was sailing under false colors in reference to his claims.

The CHAIRMAN. Yes. What effort, if any, was made by this Government to secure the friendship of Mexico after we entered the war, if you know?

Maj. BARNES. We made a very earnest effort to retain the friendship of Mexico, as we had done before that. In that connection, practically every branch of the service, I guess, received instructions to endeavor to be cordial in their relations with those on the opposite side of the river where they happened to be located, and we also endeavored to be very energetic in the suppression of any—any activities of any Mexican refugees on this side whose action might be antagonistic toward the Mexican Government. Then Gen. Pershing at one time made an appeal to the business men along the frontier—the hardware dealers particularly, and asked them not to handle arms and ammunition except under the supervision of the military service. All of the dealers very patriotically responded to that request, and arms and ammunition were not even accepted for shipment on the railroad without permit from the military authorities.

The CHAIRMAN. From your information, to what is due more than anything else, the maintenance by Carranza of his government in Mexico during the last two or three years?

Maj. BARNES. Well, I think the American Government—to the support given it by the American Government is very largely due the fact that they have been able to stand up.

The CHAIRMAN. Suppose that the American Government allowed arms and ammunition exported across the river, and suppose that Gen. Pershing had not made the request which has been so patriotically complied with and carried out by the American citizens, what, in your opinion, would have been the result with reference to Mr. Carranza?

Maj. BARNES. It is my belief that the Carranza government would have fallen some time ago; sir.

The CHAIRMAN. Did you at any time have any conference with any official of the Carranza government or any prominent representative of Carranza——

Major BARNES. Yes, sir.

The CHAIRMAN. In trying to carry out your instructions?

Major BARNES. Along that—along those lines, Mr. Pat O'Hay, who was a very efficient—proved to be a very efficient man at that period of time, induced Don Manuel Amaya, who was official introducer at that time, but commonly referred to as the "official house of Mexico," was induced to make a trip to San Antonio, where we entertained him and showed him through our training camps—Camp Travis and Kelly Field, and did everything we could to make his visit pleasant. Thereafter you recall that the editors of the Mexican newspapers were escorted through the United States.

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The CHAIRMAN. This was a part of the purpose of the United States?

Maj. BARNES. Yes, sir.

The CHAIRMAN. To draw the Mexican Government, if possible, closer to the United States?

Maj. BARNES. Yes, sir.

The CHAIRMAN. To create a friendly feeling?

Maj. BARNES. Yes, sir.

The CHAIRMAN. What if anything did Mr. Amaya tell you with reference to the success, or probable success, of your efforts?

Maj. BARNES. Well, while Mr. Amaya was here I had a conference with him at the Menger Hotel; he assured me that Carranza was not pro-German. He said it with a great deal of force, and he said it with such force that it really had some effect. But thereafter he returned to Mexico, and I corresponded with him. He first wrote me a letter thanking me for the courtesies extended him while he was here, and then I took advantage of that opportunity to place on paper the assistance that the officials of this Government had rendered to his Government, and to in that way see, if possible, if we could not get some reciprocal action; but I never received any response to that letter. I wrote that, of course, more or less as a personal letter, and not as an official letter.

The CHAIRMAN. Did you, during these investigations, satisfy yourself as to whether Carranza was a friend to the United States, or whether he and those surrounding him were acting under the influence of some other government and its representatives?

Maj. BARNES. Yes, sir. I happened to know a number of friends of Carranza's in Texas—men who had been responsible for his success in the revolution—and through them I endeavored to have them use their influence to cause him to support the United States, or at least not be actively against us; and one effort I remember, I appealed to a very close friend of Carranza, and he told me that he had already made efforts along that line, and that a friend of his had just returned from Mexico City, and that Carranza was surrounded by a coterie there who had flattered him, and also through the flattery of Von Eckhardt he had been made to believe that he was destined to be the future Bismarck of America, and that it was absolutely hopeless to endeavor to win him to the United States.

The CHAIRMAN. Von Eckhardt was at that time ambassador of the German Empire——

Maj. BARNES. Yes, sir.

The CHAIRMAN. To Mexico?

Maj. BARNES. Yes, sir.

The CHAIRMAN. Did you become convinced as to the truth of these statements?

Maj. BARNES. Absolutely convinced; yes, sir.

The CHAIRMAN. From your official investigation?

Maj. BARNES. Yes, sir.

The CHAIRMAN. Did you have any information as to any Mexican officials gathering information for the Germans along the border?

Maj. BARNES. That was reported to us on several different occasions, but I can not just recall at this time just how positive the proof was; but I think in one or two instances that it was ample to assure any reasonable man that such was the case.

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The CHAIRMAN. Now, when the draft was put in effect in the United States, what efforts, if any, did you make to explain to the people along the border, and particularly those of Spanish descent, as to the effect of the draft?

Maj. BARNES. Well, when the draft—even the first draft had caused considerable consternation among the Mexican citizens, as well as many—a great many native Texans of Mexican descent, due largely to the fact of false information about the provisions of the draft being circulated among ignorant people.

The CHAIRMAN. Where was the source, do you know, of that false information?

Maj. BARNES. German propaganda.

The CHAIRMAN. German propaganda?

Maj. BARNES. We—the first efforts—I mean, during the first draft we endeavored to solicit the influence of the Mexican consul, but so far as I was able to see, no active assistance was ever rendered. Then, when the draft limit was raised, there was another exodus, even worse than the first, and we took even more active steps the second time, at this period, than we did before. We printed circulars and distributed them among the Mexican population; we organized a meeting and had speakers of Mexican origin address these people, and endeavored to have the Mexican consuls send out some of these circulars and also state our true attitude in the situation. Very little, in fact, no assistance of that kind was rendered, but as a matter of fact——

The CHAIRMAN. That is, rendered by the Mexican officials?

Maj. BARNES. Rendered by the Mexican officials; and one consul general here at that time whose name I can not recall, but he succeeded Seguin—a French name—it has just slipped my memory at present.

Mr. JACKSON. Frezieres—T. Frezieres.

Maj. BARNES. I remember him; Frezieres, that is the name; I remember him. I had made a visit two or three days before to his office, and I assured him of our sincere friendship and asked him if he could do anything along that line we would very much appreciate it, and he promised me he would. The next day, after we had one of these meetings at the market here, he phoned up to my office and asked me if I would come down, stating that he was too busy to come to my office, and when I arrived at his office he was very much excited and positively insulted me, so much so that under any other conditions I would have forcibly resented it, but I let it pass by at that time and didn't say anything.

Senator SMITH. What was the cause of his indignation?

Maj. BARNES. Because we had had this meeting over there and at that meeting some unfavorable comments had been directed toward Carranza men.

The CHAIRMAN. Then you received no assistance or cooperation from the Mexican authorities?

Maj. BARNES. None whatever. As a matter of fact, the information frequently reached us that the Mexican consuls assisted in the circulation of this false propaganda. We were at that time not just sure whether it was on account of pro-German feeling or whether it was on account of the fee they were getting for passports; but I know,

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I remember clearly, very distinctly, that down here at the Mexican consul all his building there was full—the Book Building—and the Mexicans extended down Houston Street about a block.

The CHAIRMAN. People getting their passports?

Maj. BARNES. Yes, sir.

The CHAIRMAN. And he had a fee from that?

Maj. BARNES. Yes, sir.

The CHAIRMAN. So you do not know whether his antagonism toward you and your efforts was created by his love for the Germans or love for the money he was getting for the passports?

Maj. BARNES. Well, in Frezieres's case I was positive it was both, whereas in the other case I was not so positive which it was, because we had other reports of Frezieres's pro-German activities.

The CHAIRMAN. Well, Major, I won't ask you the details of these raids, as we have other witnesses. Many of them were engaged actively in the combating there.

Maj. BARNES. Yes, sir.

The CHAIRMAN. Thank you very much.

TESTIMONY OF HENRY FORRES—Recalled.

(Witness was reminded by Dan M. Jackson, Esq., clerk of the subcommittee, that he was still under oath.)

Senator SMITH. Mr. Forres, you were on the stand yesterday. Have you or not seen the Mexican consul stationed at this city in regard to the visé of your passport?

Mr. FORRES. Yes, sir.

Senator SMITH. Did you present it to him?

Mr. FORRES. I presented my passport to his chief clerk, and before presenting the passport the chief clerk handed me a form of application for a visé and told me that I would have to have another photograph taken in connection with it. I told him all right. In the mean time he asked to see my passport. I gave him my passport and he immediately took it into the consul's office, because they have three offices, and in less than half a minute he was back with it—handed it to me and told me they would not visé it, and I asked him why, and he gave absolutely no reason whatever.

Senator SMITH. No explanation?

Mr. FORRES. None; absolutely.

Senator SMITH. He positively refused to visé it?

Mr. FORRES. Absolutely.

Senator SMITH. Do you know whether or not it was by reason of your having appeared as a witness before this committee?

Mr. FORRES. I see no other reason because you can see by the passport it has been viséed a great many, many times by different consuls—here by the consul at Piedras Negras, and here by the consuls in Matamoros and Laredo, and different cities.

Senator SMITH. This is the first refusal?

Mr. FORRES. This is the first refusal.

Senator SMITH. And this come after your appearance as a witness before the committee?

Mr. FORRES. Yes, sir.

The CHAIRMAN. When did you go to the consul?

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Mr. FORRES. I went to the consul this morning, just about an hour ago.

The CHAIRMAN. Who was with you, if anyone, Mr. Mayfield?

Mr. FORRES. Mr. Mayfield; yes, sir.

Senator SMITH. That's all.

TESTIMONY OF CAPT. S. C. KILE.

(The witness was duly sworn by Dan M. Jackson, Esq., clerk of the subcommittee, duly authorized thereto.)

The CHAIRMAN. Are you a citizen of the United States?

Capt. KILE. I am, sir.

The CHAIRMAN. Of what State are you a native?

Capt. KILE. Native of the State of Ohio.

The CHAIRMAN. What is your occupation?

Capt. KILE. Military intelligence officer.

The CHAIRMAN. Now in the service of the United States?

Capt. KILE. I am, sir.

The CHAIRMAN. With the rank of captain?

Capt. KILE. Yes, sir.

The CHAIRMAN. Where are you stationed?

Capt. KILE. At department headquarters at Fort Sam Houston.

The CHAIRMAN. Captain, we have here a little volume entitled "A Brief History of the Lower Rio Grande Valley," which purports to give an account of the various raids occurring since 1915 along the Mexican border and Texas border, numbering a total, I believe, of some forty-six or more, and we are informed that the author of this volume is now dead. Have you ever read the book or any part of it?

Capt. KILE. I have, sir.

The CHAIRMAN. Have you had your attention called to the statement contained in the book as to each of those different raids?

Capt. KILE. Particularly as to those set forth in Chapter X.

The CHAIRMAN. Will you take the book and examine Chapter X and state if those are the particular raids which you have had your attention called to [handling book to witness]?

Capt. KILE (after examining book). Yes, sir; these are the ones which I have had occasion to particularly verify.

The CHAIRMAN. I am not going to ask you, Captain, to read this into the record nor take up the time at present to have it read. We will instruct the reporters at this point, however, to embrace in their report of the day's proceedings the account as given by the author of these different raids. The question which I desired to ask you, having read this and having had your attention called to it, whether you have checked up the accuracy of the statements made by the author with reference to these raids?

Capt. KILE. I have in this way: By my direction and under my supervision, my sergeant major checked these movements and troop activities as reported in Chapter X from the official records kept in the office of The Adjutant General as to troop movements and operation, and it was found to be accurate, with a very few minor exceptions, which were noted on the margin of the book at the time the check was made.

The CHAIRMAN. Were they typographical or were they errors in material statements?

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Capt. KILE. Why, the inferences I would get from the text of the subject were that they were typographical errors rather than ones of fact.

The CHAIRMAN. Do you know of—from other sources of the Webb station raid, which the committee is informed is not detailed in this book—do you know there was such a raid?

Capt. KILE. Yes, sir; from official reports and the files of our office.

The CHAIRMAN. Then you regard the statements as contained in Chapter X, with reference to these raids, as so substantially correct that the committee is warranted in placing them in the official records of this hearing?

Capt. KILE. I do, sir.

The CHAIRMAN. Thank you very much. I think that is all just at this point.

Chapter X of the book entitled "A Brief History of the Lower Rio Grande Valley," by Frank Cushman Pierce, of Brownsville, Tex., authenticated by the witness, Capt. S. C. Kile, and ordered by the committee to be incorporated in the record, is as follows, to wit:)

CHAPTER X.—LOWER RIO GRANDE VALLEY.

On March 27, 1915, Gen. Jose Rodriguez, a Villista commander, began an attack on the city of Matamoros, Tamaulipas, with about 700 men. The city was defended by Gen. Emiliano P. Nafarrate and Col. Procopio Elizondo. The Villistas attempted to charge the trenches which encircle the city of Matamoros. They charged across an open-cleared flat and were mowed down by machine guns, suffering a loss of at least 250 killed and many wounded. In fact, 232 wounded men were allowed to cross the river at Las Ruelas ranch, 5 miles west of Brownsville, and were housed and cared for by the American citizens, men and women, of Brownsville, who attended them until their recovery when they were sent by this Government to Laredo and there delivered to the Villistas.

Not more than 12 of the defenders were killed and not more than 10 wounded.

Rodriguez gave up the fight and afterwards boarded the train with his men and went to Monterey, where the Villistas were then in charge.

Gen. Navarro, one of the Villista commanders, was killed in one of the sallies against Matamoros.

During the month of May, 1915, a band of Mexicans, estimated to be from 20 to 30 men, were seen by various persons in the vicinity of Rancho Los Indios, about 8 or 9 miles east of Sebastian, Cameron County, Tex., and 35 miles north of Brownsville. Thirty deputy sheriffs, and many citizens joined in the chase, but could never get in contact with the Mexicans. American and Mexican farmers and ranchmen would report, almost daily, the loss of cattle, saddles, etc.

On July 17, 1915, Bernard Boley, a young American, was killed near the north line of the county, supposedly by bandits of the party which had been reported.

On July 12, 1915, 11 Mexicans, heavily armed, forced Nils Peterson, a farmer living about 4 miles south of Lyford, 40 miles north of Brownsville, to open his store and to supply them with food and ammunition.

On July 23, 1915, two brothers, Lorenzo and Gorgonio Manriquez, were killed by deputy sheriffs at the Mercedes headgates and in the town of Mercedes, respectively. They had been denounced as two of four who had robbed a store at Progreso (44 miles west from Brownsville, on the Rio Grande), the year before. It is alleged they resisted arrest.

On July 25, 1915, bandits set fire to and burned a bridge of the St. Louis, Brownsville & Mexico Railway, just south of Sebastian.

On July 28, 1915, Deputy Sheriffs Frank Carr and Daniel Hinojosa, of San Benito, at 10 o'clock at night, while transporting Adolfo Muniz in an automobile from San Benito to Brownsville to be placed in the county jail, were stopped 2 miles south of San Benito, where their prisoner was taken from them by men in another automobile. The man, Muniz, was hung and shot. It was alleged that he tried to commit rape on a young girl of the vicinity, and that he was under indictment for theft.

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On July 31, 1915, bandits raided Los Indios ranch and killed Joe Maria Benavides, a Mexican.

On August 2, 1915, 10 soldiers from Troop A, Twelfth United States Cavalry, accompanied by deputy sheriffs and civilians, rushed Rancho Tule, about 25 miles north of Brownsville, in quest of bandits. Pvt. G. W. McGuire, Twelfth Cavalry, was killed, and Deputy Sheriff Monohan and Joe Longoria and a civilian were wounded.

On August 3, 1915, rangers and deputy sheriffs attacked a ranch near Paso Real, about 32 miles north of Brownsville, and killed Desiderio Flores and his two sons, Mexicans, alleged to be bandits.

On August 6, 1915, a band of 14 heavily armed Mexicans appeared at Sebastian. After robbing Alexander's store of various articles, they proceeded to the granary near the railroad track, and there picked out A. L. Austin and his son, Charles Austin. After taking these to their home, they transported them in a wagon, driven by a lad named Millard, whom they had also taken prisoner, and at some short distance from the house, made the two Austins get out of the wagon and then stood them up and shot them, killing both. Millard was released.

On August 8, 1915, a band of Mexicans shot at and wounded one Charles Jensen, night watchman, at the gin at Lyford, Tex.

On the 6th of August, a band of Mexicans shot at an automobile near Los Fresnos, 12 miles from Brownsville, wounding Sunny Huff.

On August 8, 1915, a party of bandits, estimated to be about 60, attacked Las Norias, flag station, about 70 miles north of Brownsville, on the St. Louis, Brownsville & Mexico Railway. In the battle which ensued, 5 outlaws were killed and found on the ground. Others were badly wounded and it was afterwards learned several had died as a result of their wounds. Reports having been received that a band was operating in that vicinity and had been seen therebouts, 8 cavalrymen from Harlingen, Adjt. Gen. Henry Hutchings, State troops; Capt. J. M. Fox and 10 rangers; Sheriff Vann and Capt. H. L. Ransom and his rangers had gone to Las Norias to overtake them.

While the rangers and others went into the brush to find the bandits, the 8 cavalrymen were left at the station. Two civilians, Frank Martin and an old ranger, and a Mr. Forbes lived there. The Mexicans attacked the ranch apparently not knowing of the presence of the troops. Martin and Forbes were badly wounded. During the battle Gordon Hill, Sam Robertson, and three other civilians arrived on a gasoline truck from Harlingen, just in time to assist in the battle.

August 9, 1915, after dark, at Mercedes Pump, Mexicans fired on a United States Cavalry patrol. One Mexican was killed.

August 10, 1915, Mexicans fired on Cavalry patrol at Palm Garden, just west from Mercedes, killing Pvt. L. C. Waterfield.

On August 15, 1915, a Cavalry patrol was fired on by Mexicans near Progreso, about 1 mile north of the Rio Grande. No one hurt.

On August 17, 1915, the patrol at Progreso having received information that some bandits were in the vicinity, made its way to the river. While on its banks Mexicans fired on the Americans and Corpl. Wellman, Troop C, Twelfth Cavalry, was killed. Lieut. Roy C. Henry and Pvt. Jackson were wounded.

On August 20, 1915, it was reported that a party of nine deserters from the Carranza army in Mexico had crossed to the Texas side above Hidalgo. The sheriff and deputies of Hidalgo County gave chase and reported that they had killed nine of them, and that the remaining four recrossed into Mexico at Madera (about 62 miles west from Brownsville).

On August 25, 1915, late in the afternoon, at Progreso, Tex., Mexicans on the Mexican side fired on the patrol of Americans on the Texas side. Two American horses were killed. The Mexicans had dug trenches at nighttime and fired from these. Five Mexicans were wounded.

On August 26, 1915, it was reported that 20 heavily armed Mexicans had crossed into Texas a short distance west of Progreso. Immediately a chase began, but the Mexicans succeeded in recrossing without encounter.

On August 30, 1915, a bridge on the St. Louis, Brownsville & Mexico Railway just 12 miles north from Brownsville was set on fire and destroyed.

On September 1, 1915, a band of about 30 armed Mexicans appeared at the second lift pumping plant of the Fresnos Canal Co., about 14 miles north from from Brownsville and 6 miles east from San Benito. They set fire to the buildings and destroyed them. They then took as prisoners Mr. Dodd, Mr. Smith and two Mexicans.

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They started toward the little village called Fresnos, where a few American farmers had settled. En route they met Mr. Donaldson. They took these men to a resaca (old river bed) at the end of one of the lateral canals and there executed Smith and Donaldson by shooting them through the head and body. Mr. Dodd was also taken out to be shot, but through the earnest pleadings of the two Mexican prisoners and the fact that at one time in the past he had favored a wounded Villista soldier who had been wounded in the Battle of Matamoros in March preceding, he was spared. When the wounded Villistas were being brought from Las Ruelas to Brownsville, Dodd noticed this man walking and transported him to Brownsville in his automobile. The Mexican remembered it.

Immediately deputy sheriffs, civilians, from San Benito and Brownsville, and several detachments of United States Cavalry were rushed to the scene. Just east of Los Fresnos they came across the camp of the Mexicans and in a skirmish which took place in the heavy chaparral killed one Mexican, the others escaping.

On September 3, 1915, at Cavazos Crossing, just south of Mission, a party of Mexicans crossed into Texas, looting the village of Ojo de Agua. Capt. Frank R. McCoy with detachments of Troops H and G, Third United States Cavalry, then stationed at Mission, and Sheriff A. Y. Baker and deputies struck the trail and followed the Mexicans to the crossing. On September 4, the Mexicans fired from the Mexican side of the Rio Grande onto the Americans on the Texas side. In the battle which ensued, 1 American soldier was wounded and 11 Mexicans killed and 40 wounded.

On September 10, 1915, bandits attacked some Americans near Lyford, but were repulsed, the bandits leaving two dead on the field.

On September 13, 1915, just before daylight, Mexicans surrounded the Galveston Ranch, about 24 miles west from Brownsville. They fired on the nine sleeping soldiers, killing Pvt. Anthony Kraft, of the Third United States Cavalry, and wounding two others. The Americans, unable to locate their assailants on account of the dark, nevertheless drove them off.

During that day the soldiers arrested five Mexicans living at the ranch. They were taken to San Benito, turned over to the deputy sheriff, and placed in jail. That night at about 9.30 the deputy sheriffs took three of them out of jail and started on the Harlingen Road. Next morning these three Mexicans were found dead, having been executed.

On September 17, 1915, while reconnoitering the river bank within the Brownsville city limits, western extreme, with his troop of the Third United States Cavalry, Lieut. E. L. N. Glass was fired upon by Carranzistas from the Mexican side of the river. No casualties.

On September 17, 1915, near Donna, at the "Red House" crossing of the Rio Grande, a patrol of United States soldiers was fired upon by Mexicans. Sergt. Llewellyn maintained his ground until Lieut. Milton G. Holliday arrived with reenforcements. Quite a battle ensued, 17 Mexicans being killed or wounded.

On September 23, 1915, 12 mounted and armed Mexicans visited the La Talpa Ranch, about 20 miles north of Mission, Hidalgo County, at about 8 a. m., and stole ranch property, horses, mules, rifles, and ammunition.

On September 24, 1915, the same band referred to above attempted to raid the ranch of J. B. McAllen, San Juanito, Hidalgo County, Tex. Mr. McAllen happened to be the only man in the house. With his Mexican woman cook to assist in loading the guns, he fired on the 12 men, killing 2 and wounding 3. Of the three wounded, two afterwards died. The fight lasted more than an hour. McAllen's house was riddled with bullet holes.

On September 24, 1915, Lieut. W. King, of the Twenty-sixth Infantry, returning to the Saenz store at Progreso, Hidalgo County, at about 7.30 a. m., was shocked to find Pvt. Henry Stubblefield dead and Pvt. Kennedy wounded. The alarm was given and Pvt. Kennedy of the company of soldiers rushed to Mercedes Canal head gates for reenforcements. Lieut. King with his nine men opened fire on a party of Mexicans who were discovered on the American side, estimated to be about 75 men. Four American cavalry horses were killed while en route for reenforcements. At about 8 o'clock a. m., Capt. Anderson and Troop B, Eighth United States Cavalry, appeared at Progreso. In the battle, which lasted from 8 to 10 a. m., Capt. Anderson was wounded. After the battle it was found that of the 10 men on guard at Progreso crossing, Pvt. Richard J. Johnson was missing. Johnson, with his horse and equipment, was

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taken prisoner by the Mexicans, carried across the river, his ears first cut off, then he was decapitated, his head being displayed on a pike. Pvt. Stubblefield and Pvt. Kennedy had arrived at the Saenz store simultaneously, and after Stubblefield was shot down, Kennedy shielding himself behind a little monument in front of the little church, alone and unaided fought desperately against the bandits until the first reenforcements arrived. His assailants numbered more than 50 men. It was afterwards learned that Stubblefield unsuspectingly ran into the Mexicans as they were setting fire to the Saenz house, intending to destroy it. As he entered the door he was riddled with bullets and found dead.

On September 23, 1915, an outpost of Troop M, Sixth United States Cavalry, was fired upon near the La Feria pumping plant, 28 miles west of Brownsville. No casualties.

On September 28, 1915, a lady living near Harlingen was attacked by two Mexicans and wounded in her forearm.

On October 9, 1915, Mexicans fired from the Mexican side on United States troops of Sixth Cavalry at the Mercedes pumping plant, 40 miles west from Brownsville. No casualties.

On October 18, 1915, the southbound St. Louis, Brownsville & Mexico Railway passenger train was derailed 6 miles north of Brownsville. The Mexican bandits, some 60 in number, had drawn all the spikes and fish plates connecting two parallel rails. With a wire attached to the rail on the west side, just as the train dashed by at a speed of about 30 miles an hour, they pulled the rail from under the moving engine. The engine was ditched, lying at right angles from the main line. The baggage and mail cars were turned on their sides. In the smoker were seated four soldiers without arms, boys on a trip of recreation; Dr. E. S. McCain, State health officer stationed at Brownsville; Harry Wallis, formerly a ranger; John Klieber, district attorney of the State court for the district, and several others. As soon as the train had come to a complete stop four unmasked Mexicans entered and began shooting at the citizens, and then, seeing the soldiers, turned their fire on them. Corpl. McBee, Pvt. Claud J. Brashear, and Corpl. C. H. Laymond, the three of the Third United States Cavalry, were fired upon. McBee, just as he was rising from the floor, being shot and instantly killed. Brashear was approached by the leader and after several words was shot in the face just to the right of the nose, the ball coming out in the neck. He survived. Laymond was shot in the leg and neck. He survived. Dr. McCain and Wallis sought refuge in the toilet. The bandits fired through the toilet door, one of the shots striking McCain in the abdomen. He died next day. Wallis was shot in the arm and hand, but has recovered.

The engineer, H. H. Kendall, was pinned beneath his cab and killed, his hand on the throttle. A great many shots were fired from the brush into the train, but other than as stated none took effect. R. Woodall, fireman, was painfully burned by escaping steam.

By 10 o'clock next morning seven suspects had been captured, and later, that same day, the rangers executed four of these for alleged complicity in the wreck.

On October 24, 1915, the Sunday following the wreck a band of Mexicans attacked the soldier camp at the oil well, about 300 yards from the scene of the wreck. They approached just about dusk and fired into the camp. One soldier, Herman C. Moore, Fourth United States Cavalry, was shot and died from his wounds several days later.

On October 21, 1915, a party of Mexicans attacked the soldiers at Ojo de Agua ranch, about 1 mile north of the Rio Grande, and about 1 mile south of what is known as Chihuahua, branch line of the St. Louis, Brownsville & Mexico Railway, 74 miles west from Brownsville. At the time of the attack there were eight or nine men of the Signal Corps and seven or eight of Troop G, Third United States Cavalry, at the ranch. Without the slightest intimation that anything might happen, the soldiers had retired and were sound asleep. Suddenly, at about 1 o'clock, a terrific volley was fired upon the sleeping men and into the little wooden shack occupied by them. The soldiers soon rallied, and, although the Signal Corps possessed only pistols, a stubborn resistance was made. The shooting was heard in the vicinity and reported to Capt. Frank R. McCoy, who ordered all troops in the vicinity to the scene. The wireless plant being out of commission at the hour designated for reports, 1.30 a. m., Capt. Frank R. McCoy and Capt. W. J. Scott, with a company of Third United States Cavalry, started from Mission, about 8 miles distant, and arrived on the scene just as it was about over.

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Capt. Scott was in bivouac at Penitas, 2 miles west of Ojo de Agua, and with a small detachment of 12 recruits hastened to the sound of the firing and attacked from the west and was largely responsible for driving the raiders off.

In this battle the Americans lost: Killed—Sergt. Shaffer, Troop G, Third United States Cavalry; First-class Pvt. Joyce Company G, United States Signal Corps; and First-class Pvt. McConnell, Company D, United States Signal Corps. Wounded—Pvts. Fred Behr, Paul Langland, Ben Hallenbeck, of the Third United States Cavalry, Troop G; and First-class Sergt. H. R. Smith, Corpl. Lewis Candalla, and Pvt. L. T. Stewart, United States Signal Corps. Two others were slightly wounded.

The Mexicans lost five men killed and found within 50 feet of the ranch house, and nine wounded, two of whom died afterwards.

On November 1, 1915, a patrol of Company L, Twenty-eighth United States Infantry, was fired upon at the crossing known as McConnells, 68 miles west from Brownsville. One Mexican was killed.

On November 4, 1915, a patrol of Capt. Hanson's company, Sixth United States Cavalry, was fired upon from across Rio Grande at Mercedes Canal head gates. No casualties.

On November 12, 1915, a Mexican scout in United States service at Pedernal Ranch, fired upon five Mexicans. No casualties.

On January 26, 1916, Pvts. W. P. Wheeler and Biggo Pederson, Battery D, Fourth United States Field Artillery, while in swimming in the Rio Grande just south of Progreso, swam to the Mexican side. There they were taken prisoners by the Mexicans and carried back from the river. As soon as it was reported to the officers in charge of the commands, believing that it was the intention of the Mexicans to abuse the two soldiers, Lieut. John E. Mort, Second Lieut. Bernard R. Peyton, and Lieut. Albert W. Waldron, all of Battery D, Fourth United States Field Artillery, with about 20 men, started across by fording and swimming. All but Sergt. Owen L. Clements, Corpl. Michael F. Ring, Pvt. Perry M. Rhode, and Pvt. Chas. D. Wilton Best landed safely, but those named were drowned, their bodies being recovered about three days later.

This detachment was unable to find the two soldiers, though they searched many houses. Being informed that Carranza soldiers had taken them and would not maltreat them, the expedition return to the Texas side. On January 27, 1916, the Carranzista commander at Matamoras turned the two men over to United States Consul Johnson and they were soon back on Texas soil. A court-martial was convened to try the offending officers, who received some minor reprimand, and were detailed for more onerous duties elsewhere.

February 16, 1916, patrol of Company L, Twenty-eighth United States Infantry, at Penitas, 75 miles west from Brownsville and not far from Ojo de Agua, was fired on. No casualties.

June 15, 1916, patrol, Troop M, Third United States Cavalry, was fired upon between Roma and Arroyo del Tigre (about 125 miles west from Brownsville). No casualties.

From the date of the killing of Donaldson and Smith, in September, thousands of Mexicans and Mexican-Texans crossed from the Texas side to Mexico seeking safety and refuge. Many of these joined the raiders and bandits, and organization along the Mexican river front was constant and open. Until, finally, about the 20th day of October, the bandits had organized a substantial army of from 250 to 400 men and, with impunity, they paraded the river front between Reynosa and Matamoras, the commander of the Mexican Army feeling unable to cooperate with the Americans in suppressing the lawless bands or feeling helpless to deal with the Mexicans, or being indifferent.

In October Gen. Alfredo Ricaut assumed command at Matamoras and promised that there should be no further invasions of American territory from the Mexican side on the lower border. During his stay at Matamoras, from that date until June 14, 1916, there was a total cessation of hostilities on the part of the raiders, though several anticipated expeditions were nipped in the bud by Ricaut.

On June 14, 1916, a band of about 24 Mexican crossed into Texas 9 miles west from Brownsville at the place called Rranchito, a ranch on the opposite side just opposite to Rancho Tahuachal on the Mexican side. They were discovered about 9 miles northeast of San Benito by Capt. Watson and a detachment of the United States Army, who fired into them. One Mexican was afterwards found dead. Immediately upon receiving information at Fort Brown Gen. James Parker, who on May 18, 1916, had taken command of the district of Brownsville, ordered Lieut. A. D. Newman, with 50 soldiers, or Troop H, Third

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United States Cavalry, to go after the marauders. At 12 o'clock midnight on the 16th Newman and troop left Brownsville; at 4 o'clock on the morning of the 17th, coming onto tracks of the bandits and following them to the Rio Grande; at 9 a. m. the Americans crossed the river by swimming their horses. They followed tracks of the Mexicans, and at Pedernal Ranch, about a mile from the river, near the crossing, had a skirmish with some of them, killing two of the Mexicans. No casualties among the Americans.

On the 17th, at 1.30 p. m., Maj. Edward A. Anderson, with Troops E, Capt. John Read, jr., and Lieut. George H. Peabody; F, Lieut. E. C. McGuire; G, Capt. William S. Wells, and with Machine Gun Troop of the Third Cavalry, Capt. Oscar Foley, left Fort Brown, accompanied by 20 men of the Fourth United States Infantry; Lieut. Floyd R. Waltz, with two small boats loaded on motor trucks; and Lieut. J. H. Muncaster, with a complete wireless outfit. At about 6 p. m. the cavalry and machine gun troops crossed over at the Tahuachal Ranch crossing (longitude 97° 38′, latitude 26°) and marched eastward toward Matamoros, encamping for the night at Ranch Pascualo, 3 miles east of the crossing and 7 miles west from Matamoros. Next morning, Sunday the 18th, orders from Washington recalled the American troops from Mexico.

After the machine gun troop and all but Capt. Read's troop of cavalry had crossed back to the American side, Carranzistas fired on the rear guard of the Americans. Upon orders from Col. Bullard, then at the scene, but on the American side in command of his regiment of the Twenty-sixth Infantry, the cavalry chased the Carranzistas eastward until the dust thrown up by their horses' hoofs shielded them so that it was impossible to locate them. In this encounter two Carranzistas were killed, one a subaltern officer. No casualties suffered by the Americans.

On the morning of the 18th, Col. Bullard, then at Harlingen, dispatched a battalion of the Twenty-sixth to Fort Brown and with the other battalions proceeded to protect Maj. Anderson's crossing. One boatload of his anxious Twenty-sixth Infantry had already reached the Mexican shore when the wireless conveyed the orders of withdrawal.

During the 24 hours' occupancy of Mexican territory by the Americans the city of Matamoros was thrown into a tumult of fear. Gen. Ricaut evacuated with his entire garrison and ordered every woman and child out of the city. By 1 o'clock, Tuesday, excepting a few pickets and a number of citizens who preferred to risk an American bombardment to the loss of their small savings at the hands of thieves and looters, the city of Matamoros for the first time in its history was almost completely deserted. Gen. Parker assured Gen. Ricaut that the Americans would under no circumstances bombard the city as long as women and children might remain in it, and that in any event due notice would be given in time to allow an evacuation. But he also insisted that these invasions must be stopped or there would be a likelihood of American invasion of Mexico; that the Americans were getting a little petulant over these persistent annoyances. Gen. Ricaut assured Gen. Parker that not a man should pass to the American side excepting at regular crossings, and that he would execute any caught in the acts of banditti. Since then peace has reigned supreme in the lower Rio Grande Valley.

The author believes that to the prompt act of Gen. Parker in showing the Mexican authorities that he was here to act, and the elimination of note-writing protests may be contributed the complete change in feelings of the Mexicans along the lower border; he believes that if such a crossing had been undertaken at the outset of the troubles when Blanco assassinated Alamia at Rio Bravo, the American people, American property, and the American flag would always have been respected.

On June 15, 1916, about one hundred Mexicans crossed from Mexico into Texas at San Ignacio, 40 miles south of Laredo, Tex., and about 180 miles west of Brownsville at 2 o'clock a. m., and fired upon two troops of the Fourteenth United States Cavalry as they lay asleep. The Americans lost three killed: Pvts. Chas. Flowers, Edward Katonsh and James Minaden. Wounded: Pvts. Thomas H. Swing, James E. Rouch, Tony Havelya, Henry Matasoff, P. W. Minnette, and Corp. William Oberlien. Troop M was fired upon, and then Troop I, a short distance up the river, dashed to its rescue. Maj. Gray was in command. Capt. Edgar A. Sirmeyer and Capt. Kyle Rucker, company commanders. Lieut J. B. Coulter, Troop M. The bodies of 6 Mexicans were found. No account as to number of escaped wounded.

During the bandit troubles between August 4, 1915, and June 17, 1916, 100 Mexicans have been executed by the Texas Rangers and deputy sheriffs with-

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out process of law. Some place the figures at 300. Most of these executions, it has been asserted, were by reason of data furnished the Rangers, implicating the particular Mexicans in the raids which were occurring.

On Sunday, June 18, 1916, the Washington Administration issued a statement referring to the disturbed conditions along the Mexican border, adding that in order to insure complete protection for all Americans, substantially all the militia oganizations throughout the United States had been called out and would be sent to the border whenever and wherever Gen. Frederick Funston might determine.

On June 21, 1916, the attack on the Tenth United States Cavalry at Carrizal, Chihuahua, Mexico, by Gen. Gomez, took place. Immediately matters assumed a serious aspect. Excitement reigned throughout the Republic of Mexico, where the more ignorant broke out in hostile demonstrations against the Americans, in some places going so far as to order them to leave the Republic entirely. Rumors of the killing of Americans residing in Mexico became common. Carranza demanded the immediate withdrawal of Pershing's troops from Mexican soil. The Washnigton Administration flatly refused to heed this demand.

On the Lower Valley border, Gen. Parker demanded of Gen. Ricout that he arrest and punish the bandits who had attempted to violate our laws on the 15th of June and whose names were furnished by the former. On the 22d, Gen. Ricaut answered that he would endeavor at once to arrest them; that he would cooperate with them (the Americans) and that he would punish any who might be guilty.

On June 23, 1916, the first body of Militia troops began to arrive in the Valley when Battery A, Dallas Field Artillery, Capt. Frederick A. Logan, arrived at Harlington and proceeded to Ringgold Barracks.

On June 24, Gen. Parker ordered traffic over the International bridge at Brownsville suspended.

On June 26, 1916, the Washington Administration demanded the delivery to the representatives of the United States Government, of the 17 troopers of the Tenth United States Cavalry who had been captured at Carrizal by the Carranzistas when they attacked the Americans.

On June 27, 1916, there were stationed along the Lower Rio Grande border under command of Gen. James Parker the following soldiers: Fourth United States Infantry, Col. E. E. Hatch; Twenty-sixth United States Infantry, Col. R. L. Bullard; Second Texas Infantry, Col. B. F. Delameter; Third Texas Infantry, Col. George P. Rains; Third United States Cavalry, Col. A. P. Blockson, commanding. Col. Blockson had been commanding officer of the lower valley from June, 1914; Battery A, Fourth United States Field Artillery; Battery A, Dallas Field Artillery.

Immediately State Militia from Virginia, Iowa, Illinois, South Dakota, Minnesota, Indiana, Nebraska, North Dakota, Louisiana, and Oklahoma began to pour into the valley. (See personnels under "Military movements in the valley.)

On July 12, 1916, the organization of the Thirty-sixth United States Infantry, which had been authorized during April, 1916, was begun at a point in Brownsville between West Brownsville and Brownsville proper contiguous to the main line of the St. L. B. & M. Ry. Officers: Col. Almon L. Parmenter, commanding; Lieut. Col. Paul A. Wolfe, Maj. H. B. Fiske, Maj. James V. Heidt, Maj. Edward A. Roche. Captains: Charles A. Tluis, Thomas C. Musgrave, Jesse Caston, David P. Wood, Roderick Dew, R. B. Hewitt, H. H. Bissell, M. E. Malloy, Fred H. Baird, W. C. Whitener, M. H. Shute, Fred A. Cook, G. H. Huddleston, E. L. Field. First Lieutenants: W. C. Langwill, G. C. Whiting, C. W. Elliott, C. M. Everitt, J. G. Thornell, A. W. Wilson, C. F. McKinney, E. G. Sherbourne, M. F. Davis, C. L. Richtel, N. R. Randolph, and Arthur L. White. First Lieutenants: W. J. McConnell and Harry Kalman Leow, surgeons, and later Lieut. R. R. D. McCullough was attached.

On July 13, 1916, Lieut. Col. Edward A. Anderson, recently promoted; Capt. Oscar Foley and Capt. John V. Spring, jr., recently promoted, left for San Antonio with 125 men to help form a new regiment, the Sixteenth United States Cavalry.

On July 31, 1916, the following troops were in the valley:

At Brownsville: Fourth United States Infantry; Third United States Cavalry; First Virginia Infantry; Second Virginia Infantry; First Iowa Infantry; Second Iowa Infantry; Third Iowa Infantry; First Illinois Cavalry;

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Battalion Virginia Field Artillery; battalion Iowa Field Artillery; Thirty-sixth United States Infantry, organizing.

At Mercedes and Llano Grande: First Indiana Infantry; One hundred and sixty-second Indiana Infantry; One hundred and sixty-third Infantry (Indiana); Fourth Nebraska Infantry; Fifth Nebraska Infantry; First Minnesota Infantry; Third Minnesota Infantry; North Dakota Infantry; battalion Louisiana Field Artillery; battalion Indiana Field Artillery; Minnesota Field Artillery; squadron Iowa Cavalry; troop Louisiana Cavalry; two troops Oklahoma Cavalry.

At San Benito: South Dakota Infantry; Louisiana Infantry; Oklahoma Infantry.

At Harlingen: Second Texas Infantry; Third Texas Infantry.

Gen. Edward H. Plummer, formerly of Twenty-eighth United States Infantry, was designated on March 17 to command all forces at Llano Grande.

Gen. James Parker, in command of the Brownsville district, with Capt. Frank R. McCoy, chief of staff, Capt. Cortlandt Parker, aid-de-camp, Lieut. W. C. Crittenburg, aid-de-camp, Lieut. Paul Raborg, aid-de-camp, Capt. Alfred Aloe, depot quartermaster; Lieut. Col. Fred D. Evans, adjutant general; Capts. A. L. Conger and A. Moreno, assistants to adjutant; Lieut. Col. J. T. Kirkpatrick, district surgeon; Lieut. Col. Frank Reynolds, sanitary inspector; Maj. F. E. Hopkins, district signal officer; Lieut. Col. George Howells, district engineer; Capt. L. D. Gasser, depot quartermaster.

TESTIMONY OF S. S. DODDS.

(The witness was duly sworn by Dan M. Jackson, Esq., clerk of the subcommittee, duly authorized thereto.)

The CHAIRMAN. Give your full name, please?

Mr. DODDS. S. S. Dodds.

The CHAIRMAN. Citizen of the United States?

Mr. DODDS. Yes, sir.

The CHAIRMAN. Native born?

Mr. DODDS. Yes, sir.

The CHAIRMAN. Of what State?

Mr. DODDS. Vermont.

The CHAIRMAN. How long have you been in Texas?

Mr. DODDS. About eight years.

The CHAIRMAN. Where have you lived in Texas?

Mr. DODDS. San Benito.

The CHAIRMAN. On the border or near the border?

Mr. DODDS. Near the border; yes, sir.

The CHAIRMAN. During the last few years have you come in contact with any disturbances along the border?

Mr. DODDS. Yes, sir.

The CHAIRMAN. Can you mention any in particular which attracted your attention?

Mr. DODDS. Yes, sir; the one at what is known as Fresnos pump attracted my attention very much.

The CHAIRMAN. What was the date, do you remember?

Mr. DODDS. I do not remember; I think it was either the 1st or 2d day of September.

The CHAIRMAN. What year?

Mr. DODDS. Four years ago, last September, 1915, I guess.

The CHAIRMAN. What occurred, if anything, at that time, that impressed itself upon your memory—in the first place, what were you doing there?

Mr. DODDS. I had the contract for the construction of a pumping plant at a point about eight miles from the border, and just had

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the work well under way, and one morning about 9 o'clock we were held up by a band of armed men.

The CHAIRMAN. Where did they come from, if you know?

Mr. DODDS. Why, subsequently I found out they came from Matamoros.

The CHAIRMAN. Then they were Mexicans?

Mr. DODDS. Yes, sir.

The CHAIRMAN. Do you mean they came from Matamoros, Mexico?

Mr. DODDS. Yes, sir.

The CHAIRMAN. What did they do—you say you were held up?

Mr. DODDS. Well, I was actively letting out some construction work, construction details, and the first I knew they threw a gun on me, threw a rifle on me, two men threw a rifle on me, and afterwards others congregated from the brush, and it was a very brushy country, just the raw chaparral country.

The CHAIRMAN. How many were there all together?

Mr. DODDS. About 25 armed men.

The CHAIRMAN. How many men, if any, were with you?

Mr. DODDS. Of my employees?

The CHAIRMAN. Yes, sir; or others around in that vicinity?

Mr. DODDS. There were none others except my employees right there, probably 10 or 12 men.

The CHAIRMAN. Among them were Americans?

Mr. DODDS. Yes, sir; one by the name of Smith.

The CHAIRMAN. A man by the name of Donaldson with you?

Mr. DODDS. No, sir; he came up later.

The CHAIRMAN. Now, just tell us what occurred there at that time, after these men threw their guns on you?

Mr. DODDS. Why, we were in a deep excavation and we came out and they took our valuables and lined us up—we thought to shoot us—and one of this bunch had worked for me at one time or other, and would not stand for them executing us at that time, and we waited around a little while, and they burned the house that I had there and destroyed more or less property and an automobile.

The CHAIRMAN. An automobile?

Mr. DODDS. Yes, sir; and we were down between two levees of a new irrigation canal, most of the gang, and Donaldson drove up on a farm wagon going to town for a load of lumber; he was a newcomer down in the country, possibly two or three weeks, and they surrounded him and cut his team loose and drove us down the canal right of way; we marched down the canal right of way for a couple of miles and milled around more or less to about noon—I think I was captured about 9 o'clock. I did not have a watch; I do not know exactly to the minute or hour, but about noon Smith and Donaldson were executed and——

The CHAIRMAN. By whom?

Mr. DODDS. By four of the gang—four of the bunch. From there we went into a little clearing, a little resaca, a clearing or depression in the ground, and a steer was tied there and a bunch of jerked beef, and an oat sack full of tortillas, and we had lunch, and I was treated very considerately, and we stayed around there two or three hours and started out in the general direction of the coast on the old Alice road, and at that point a posse of civilians and soldiers intercepted

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this gang as we were crossing the clearing, and during the fight that ensued I escaped.

The CHAIRMAN. Any casualties during the fight?

Mr. DODDS. I understand that one Mexican was killed during the fight. I was busy getting away.

The CHAIRMAN. What were the circumstances in the execution of Smith and Donaldson?

Mr. DODDS. There were no circumstances; they just were out of luck and had no friends. They happened to be Americans.

The CHAIRMAN. They just lined them up and shot them?

Mr. DODDS. They took them out in the brush, probably 30 feet from the edge of the clearing, and shot them.

The CHAIRMAN. Do you know who any of these men were?

Mr. DODDS. Yes, sir; I know the man in command was Aniceto Pizana.

The CHAIRMAN. You say you understand that you learned later they were from Matamoros, Mexico; do you know whether any of them were Carrancista soldiers or officers?

Mr. DODDS. Why this man Pizana was dressed in a uniform that is sometimes worn by Mexican soldiers or officers, they were armed with Mauser rifles, about half of them, and the other half with the typical American sporting rifle, 30.30, or similar weapons.

The CHAIRMAN. You are familiar with the Mauser rifle, are you?

Mr. DODDS. Why, I know one when I see it; I never used one.

The CHAIRMAN. So you know the old Mauser rifle?

Mr. DODDS. Yes, sir.

The CHAIRMAN. You were not in any other difficulties down there, were you; or do you know the general conditions along the border?

Mr. DODDS. I know the general conditions. I was not mixed up in any bandit raids there after that chasing around trying to intercept them. It may be of interest to this committee to know that before these men were shot they were asked if they were Germans.

The CHAIRMAN. They were?

Mr. DODDS. No, sir; they were not. The Mexicans asked them if they were "Alemanes."

The CHAIRMAN. The Mexicans asked them if they were Germans?

Mr. DODDS. Yes, sir.

The CHAIRMAN. By Pizana?

Mr. DODDS. No; by some of the men.

The CHAIRMAN. And their answer was what?

Mr. DODDS. No; they did not know at the time that it might have saved their lives.

The CHAIRMAN. Did they tell what nationality they were?

Mr. DODDS. No, sir; they did not make any answer; they just shook their heads.

The CHAIRMAN. And then they were shot?

Mr. DODDS. Yes, sir. There is no question but what these men came from Matamoros.

The CHAIRMAN. Mexico?

Mr. DODDS. Mexico.

The CHAIRMAN. Do you know of any effort on the part of the Carranza Government on the other side to prevent these raids?

Mr. DODDS. No, sir; I do not suppose any effort was ever made during the time that Gen. Nafarrate was on the border; I do not

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think any effort was ever made to stop them; in fact, I think they were assisted from over there; the Mauser rifles were right new, they were carried more or less, and these dynamite pipe bombs, they were used along the border, bombs made of an inch and a half piece of pipe with a stick of dynamite inside.

The CHAIRMAN. I believe that is all, Mr. Dodds, unless you have something further.

TESTIMONY OF LON C. HILL.

(The witness was sworn by Dan M. Jackson, Esq., clerk of the subcommittee, duly authorized thereto.)

The CHAIRMAN. Give your full name to the reporters, please?

Mr. HILL. Lon C. Hill.

The CHAIRMAN. Are you a citizen of the United States?

Mr. HILL. I am.

The CHAIRMAN. Of what State are you a native?

Mr. HILL. I was born in Texas.

The CHAIRMAN. Lived in Texas practically all your life?

Mr. HILL. Yes, sir; practically so.

The CHAIRMAN. Where do you live?

Mr. HILL. Harlingen, in Cameron County.

The CHAIRMAN. Are you familiar with the conditions along the border between Mexico and Texas during the last few years, principally from 1913 to the present time?

Mr. HILL. Yes, sir.

The CHAIRMAN. Have you ever known of any raids from the other side—that is, from the Mexican border to the American side?

Mr. HILL. Yes, sir.

The CHAIRMAN. What was the first raid of which you have any knowledge?

Mr. HILL. Well, Senator, there were bunches of men came over there along—you might say along in April or May, along in that time, and stealing cattle and supplies and a lot of stuff, oh, there were numerous of them, but the first time that a good big crowd came over and done any real depredations was when they robbed Peterson's store out west of Lyford about 8 or 9 mines from where I live—west of Lyford or Sebastian, in that country there.

The CHAIRMAN. About what date?

Mr. HILL. Really, I do not know; really, I could not tell you the exact date, it was somewhere along in June, about that time.

The CHAIRMAN. Then after that?

Mr. HILL. Then after that at intervals they were coming all the time.

The CHAIRMAN. Do you know anything about a band of Mexicans being seen in the month of May, 1915, in the vicinity of Rancho de los Indios west of Sebastian, Cameron County, and north of Brownsville?

Mr. HILL. Yes, sir.

The CHAIRMAN. Do you know whether any effort was made by the citizens or officers to overtake and interrogate or talk to these people?

Mr. HILL. Yes, sir; Mr. Vann, the sheriff, and he had quite a lot of deputies, and they heard of these bands—these bands being out

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there and doing a lot of stealing—and they went out there and went all over this country there and they tried to find them there for quite a bit.

The CHAIRMAN. And were not able to overtake them?

Mr. HILL. No; they found out afterwards why they could not overtake them.

The CHAIRMAN. Why?

Mr. HILL. Well, every Mexican in the country was in sympathy with them, for them; and Mexicans that we would get to guide, of course, they would just take you around somewhere else, and they never did catch anybody until we let the Mexicans alone, and then we got to catching them.

The CHAIRMAN. Did you know anything of the death of Bernard Boley about July 17, 1915?

Mr. HILL. Yes, sir. Bernard Boley was killed at Raymondville, east of Raymondville, there on what is known as San Francisco Ranch, owned by Gano.

The CHAIRMAN. Was there any investigation made as to the cause of his death?

Mr. HILL. Yes, sir; the officers and the people went out there and investigated it, and he was shot down there.

The CHAIRMAN. By whom?

Mr. HILL. He was killed by Mexicans.

The CHAIRMAN. From the other side of the river?

Mr. HILL. Well, all these bands—numbers of these bands.

The CHAIRMAN. Do you know anything about an occurrence at the store of Nels Peterson on or about July 12, 1915?

Mr. HILL. Yes, sir; that was the one I referred to a little while ago.

The CHAIRMAN. What occurred there?

Mr. HILL. Well, they just went up there to Peterson's store and robbed the post office and went in there and just got what they wanted and loaded up with sacks and took everything in the world they wanted and went on off.

The CHAIRMAN. Any investigation made to ascertain where these people were from?

Mr. HILL. Oh, yes.

The CHAIRMAN. What was the result?

Mr. HILL. Well, they were just these bandits.

Senator SMITH. Where were they coming from?

Mr. HILL. From the other side, from the other side of the river; they claim that was their headquarters.

The CHAIRMAN. Do you know anything about the burning of a bridge on the railroad just south of Sebastian, in July, 1915?

Mr. HILL. Yes, sir.

The CHAIRMAN. Any investigation made as to who burned it, if anyone?

Mr. HILL. That bridge was burned in the morning, the train was right there, and that bridge was—the train went up, and I saw the train back back, and I went up there and we asked them what was the matter, and they said the bridge was on fire, and we went up there and it was, too. It was about 2 miles from where I live, and of course there was not anybody there, but you could see where there was a crowd down there, you could see the horse tracks, and see where

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they had come in and see the foot tracks, and see there were about, I suppose, 30 or 40 head of horse tracks.

The CHAIRMAN. Any attempt made to trail them to see where they went?

Mr. HILL. Oh, yes, sir.

The CHAIRMAN. Which direction did they go?

Mr. HILL. Well they went to the east—went down toward the arroyo.

The CHAIRMAN. They were never overtaken?

Mr. HILL. No, no; they were never overtaken. They burned those bridges down there, Senator; out there three different times, right in that same neighborhood.

The CHAIRMAN. Do you know anything about a conflict—armed conflict between soldiers and citizens and bandits on or about August 2, 1915, near or at Rancho Tule?

Mr. HILL. Yes, sir.

The CHAIRMAN. Where is Rancho Tule?

Mr. HILL. Well, that is a ranch down north of Brownsville about 22 miles. That ranch is one of my ranches.

The CHAIRMAN. On the American side of the line?

Mr. HILL. Yes, sir.

The CHAIRMAN. Well, what occurred there on that ranch at that time, if anything?

Mr. HILL. Well, there was a Mexican living there by the name of Aniceto Pizana; he was living there on this ranch of mine about 12 or 15 years, and the officers and people had heard of these people coming in there and congregating in that country, and they had located a band the evening before—quite a band of them—right there close to his place, and they came in and reported that they were there at this ranch; so soon the next morning a detachment of soldiers under Lieut. Lutz, and I think Mike Monahan was in the crowd, and Joe Taylor, and Jess Scrivner, and several others of them; and they rode up to that ranch about a little before sun up and these bandits were there and some of them were across the resaca and some of them were in the house and some of them were in the stock pens—in the cow pens—and when they saw these soldiers and citizens and officers come up there they just opened fire on them and they killed McGuire, a young man who lived at San Benito, and shot one or two others.

The CHAIRMAN. Was Deputy Sheriff Monahan there, you say?

Mr. HILL. Yes, sir.

The CHAIRMAN. Did he receive any injuries in that fight?

Mr. HILL. Yes, sir; they shot Mike.

The CHAIRMAN. Was a man by the name of Longoria in the possé, Joe Longoria?

Mr. HILL. Yes, sir; Joe Longoria; he was a deputy sheriff.

The CHAIRMAN. Did he receive any injuries in that fight?

Mr. HILL. Really, Senator, I do not know.

The CHAIRMAN. Pvt. McGuire that you referred to was a private in the Twelfth Cavalry, was he not?

Mr. HILL. Yes, sir; he had just joined the Army and he was killed.

The CHAIRMAN. What became of Pizana and his band?

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Mr. HILL. Why, just as soon as they got those fellows back, they just backed off in the brush, and just went on—they just went on in the brush.

The CHAIRMAN. You do not know where they went to?

Mr. HILL. No, sir.

The CHAIRMAN. Do you know anything about the robbery of Alexander's store on August 6, 1915?

Mr. HILL. Yes, sir.

The CHAIRMAN. That was at San Sebastian?

Mr. HILL. Yes; that was at Sebastian; yes, sir.

The CHAIRMAN. Was there any attempt made, or do you know whether they captured anybody of the band that robbed the store?

Mr. HILL. Yes, sir; there was a band of 25 or 30 went in there, and they first went into a beer saloon out there and robbed that and took what they wanted, and then they went into Alexander's store, and the post office across the track, and got what they wanted out of there, and then several went up to where Mr. Austin and his son and several other people were fixing up a corn sheller, and they took Mr. Austin and his son captives and went away with them.

The CHAIRMAN. What did they do with them, what became of this Mr. Austin and his son, if you know?

Mr. HILL. Well, they went out southeast of town there, of this store, about a mile and a half, where Mr. Austin's family lived, right on Mr. Austin's place where his wife and family and children were and there they executed Mr. Austin and his son.

The CHAIRMAN. Was a young man by the name of Millard, or some such name along with them?

Mr. HILL. Well, there was another man or two, I forgot that.

The CHAIRMAN. And the same band, you say, killed the two Austins?

Mr. HILL. Yes, sir.

The CHAIRMAN. Were they ever discovered—that is, do you know—do people know who this band were?

Mr. HILL. Oh, yes; there were several of them identified there, they soon found who the biggest number of them were; that is, those that lived on this side of the river.

The CHAIRMAN. Some of them were identified as living on this side of the river?

Mr. HILL. Yes, sir.

The CHAIRMAN. Was Pizana along with them?

Mr. HILL. I really could not say, Senator.

The CHAIRMAN. Do you know anything about an attack on the night watchman at a gin at Lyford, Tex., on or about August 7, 1915, the day after this occurrence?

Mr. HILL. Yes, sir; that was after—I was right there near by when they shot at him that night.

The CHAIRMAN. Was the name of the night watchman Jensen—Charles Jensen?

Mr. HILL. I think that was the name.

The CHAIRMAN. Was he wounded?

Mr. HILL. Yes, sir; they shot this fellow.

The CHAIRMAN. On the same date; that is, about August 6, 1915, do you know anything about an attack on an automobile near Los Fresnos, 12 miles from Brownsville?

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Mr. HILL. Yes; I think they attacked several automobiles out there; I think this was one that Conrad was in.

The CHAIRMAN. Do you know anything about an attack upon an automobile at that time that was occupied by Sonny Huff, or did you hear of that?

Mr. HILL. I heard of it, but I didn't know——

The CHAIRMAN. Didn't know about that?

Mr. HILL. No, sir; I was not out there in that part of the country.

The CHAIRMAN. You were not out there, Mr. Hill?

Mr. HILL. No; I was not out there.

The CHAIRMAN. Do you know anything about an attack on or about August 8 at Las Norias flag station, about 75 miles north of Brownsville?

Mr. HILL. Yes, sir.

The CHAIRMAN. What occurred there?

Mr. HILL. Well, there was a band of Mexicans, this same band, a lot of this band that had shot up Conrad, they had all collected down there on the Arroyo Paso Real, and they had heard of them being out in that country, and they went over there north, and went by the Nopal ranch and captured a Mexican or two there, and——

The CHAIRMAN. Who went?

Mr. HILL. This band of Mexicans who captured a Mexican or two there and carried them with them, and then they went on, still going north or northwest, and there was some people out there looking for them, and Sunday evening about three hours by sun there was five or six or seven or eight men in this ranch at Norias and they were attacked by about, I don't know, there were 60 or 70 or 80 bandits horseback.

The CHAIRMAN. What occurred; were any of the Americans killed that Sunday?

Mr. HILL. No; they were not.

The CHAIRMAN. Any of the other fellows get hurt?

Mr. HILL. Well, I got there just about dark, and Jim Forbes was shot and Frank Martin he was wounded, and they were the only two that were seriously wounded.

The CHAIRMAN. Were there any of the outlaws killed?

Mr. HILL. Yes, sir; there was a few of them killed. I saw all of them that were killed; only one of them that I recognized; only one of them that I knew that was killed.

The CHAIRMAN. The others were strangers?

Mr. HILL. They were strangers.

The CHAIRMAN. Now, Mr. Hill, as a matter of fact you practically knew most of the Mexicans in that neighborhood that lived on this side?

Mr. HILL. Yes, sir; I have lived there and been working them by the thousands and thousands, and I think I knew every Mexican in Cameron County—that is, the lower part of it. I do not know, there was five or six or seven or eight killed there, and the one I recognized was Jesus Garcia; he lived at the Cortillo ranch, near San Benito.

The CHAIRMAN. Do you know anything about the firing on a patrol of soldiers at Palm Garden, west of Mercedes, on or about August 10, 1915?

Mr. HILL. Yes, sir.

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The CHAIRMAN. Was one of the soldiers killed there? Waterfield, do you remember?

Mr. HILL. Yes, sir; this one soldier killed there, and afterwards—a day or two after that—right in that same neighborhood they killed a young American there, one that went out to get a bucket of water out of the canal one morning, and they killed him. I have forgotten just what his name was.

The CHAIRMAN. Do you know anything of the destruction of a bridge by fire—well, that is the same bridge, I presume, about 12 miles north of Brownsville? You said one had been destroyed about three times?

Mr. HILL. No; I said above Harlingen they burned about three bridges. This bridge you are talking about is north of Brownsville.

The CHAIRMAN. Yes.

Mr. HILL. Yes, sir; they burned two bridges north of Brownsville, between Brownsville and San Benito.

The CHAIRMAN. Do you know anything about any occurrence at the second pump, the lift pump plant of the Fresnos Canal Co., about 12 miles north of Brownsville, on or about September 1, 1915?

Mr. HILL. Yes, sir.

The CHAIRMAN. About how many bandits were in that bunch?

Mr. HILL. I thought there was about 35 or 40.

The CHAIRMAN. Did they destroy buildings there by fire?

Mr. HILL. Well, they burned up two bridges there and some works—some construction works.

The CHAIRMAN. Did you know Mr. Dodds?

Mr. HILL. Yes, sir.

The CHAIRMAN. And Mr. Smith?

Mr. HILL. John Smith; yes, sir.

The CHAIRMAN. Do you know whether they were taken prisoners by this band?

Mr. HILL. Yes, sir; they took Dodd and John Smith and a young man by the name of Donaldson.

The CHAIRMAN. And two Mexicans?

Mr. HILL. Yes, sir; they took some Mexicans with them.

The CHAIRMAN. The statement which the committee have says that they started toward the little village called Los Fresnos, where a few American farmers had settled, and en route they met Mr. Donaldson.

Mr. HILL. Well, they did; they took Donaldson and those fellows and went off down east of there and stopped and ate dinner, and they executed John Smith and Donaldson.

The CHAIRMAN. This is the same—you heard Mr. Dodds's testimony, didn't you?

Mr. HILL. No, sir; I did not.

The CHAIRMAN. You did not?

Mr. HILL. No, sir.

The CHAIRMAN. At any rate, he testified to this occurrence. Do you know anything about an attack on Americans near Lyford on September 10, 1915, and the killing of two of the bandits?

Mr. HILL. I don't remember that particularly——

The CHAIRMAN. You do not remember the date?

Mr. HILL. I don't remember that particular case.

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The CHAIRMAN. This is one of the cases that has been identified here, the statement as being correct, being identified by Capt. Kile. Do you remember about an attack upon the Galveston ranch on or about September 15?

Mr. HILL. Yes, sir; I remember that.

The CHAIRMAN. Do you know where the Galveston ranch is—about 24 miles west of Brownsville, something like that?

Mr. HILL. Yes, sir—yes, sir; within about a mile of my property there: yes, sir.

The CHAIRMAN. What occurred there?

Mr. HILL. Well, they had a troop of either Infantry or Cavalry, I believe—it wasn't a troop either, but a few of them—I forget what it was.

The CHAIRMAN. About nine?

Mr. HILL. I forget what they called it, but they had a few—8 or 10 or 12—soldiers there, and those Mexicans just came there and attacked them, shot a lot of them—I think maybe killed two of them if my recollection serves me right.

The CHAIRMAN. You heard of the killing of Private Anthony Kraft, of the Third Cavalry, at that time?

Mr. HILL. Yes, sir—I didn't hear of it; I was there a little while after it happened.

The CHAIRMAN. Do you know anything about an attack upon a lady living near Harlingen about September 28, 1915?

Mr. HILL. Well, along about that time there were three or four Mexicans straggling through the country there a few miles east of Harlingen, that went there to her house, and they did something; I think stabbed her or cut her two or three times with a knife. I suppose that is the same occurrence you are talking about.

The CHAIRMAN. I presume so. I am endeavoring to follow along the statements that we already have, as having been checked up by the Intelligence Department here.

Mr. HILL. Oh, yes. All right.

The CHAIRMAN. Do you know about the derailing of the train north of Brownsville on or about October 18, 1915?

Mr. HILL. Yes, sir.

The CHAIRMAN. About how many were there in the—was the train attacked?

Mr. HILL. Yes, sir. They derailed that southbound passenger train at night and wrecked it, and the engine went off in the ditch, and then they shot into the train and went through the train and shot a lot of passengers.

The CHAIRMAN. Do you know Dr. E. S. McCain?

Mr. HILL. The health officer? Yes, sir.

The CHAIRMAN. What happened to him at that time?

Mr. HILL. Well, they just shot him up two or three times, and he died the next day.

The CHAIRMAN. Killed him?

Mr. HILL. Yes, sir.

The CHAIRMAN. Do you know Harris Wallis?

Mr. HILL. Yes, sir.

The CHAIRMAN. Former Ranger?

Mr. HILL. Yes, sir.

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The CHAIRMAN. What, if anything, happened to him at that time?

Mr. HILL. Well, they shot Harris three or four times, all up and down the left side and in the arm.

The CHAIRMAN. Do you know John Kleiber, the district attorney?

Mr. HILL. John Kleiber? John R. Kleiber?

The CHAIRMAN. Yes.

Mr. HILL. Yes, sir.

The CHAIRMAN. Was he there about that time?

Mr. HILL. Yes, sir; he was there. They took John's shoes off of him, I think.

The CHAIRMAN. Did they shoot him up?

Mr. HILL. No—no.

The CHAIRMAN. Do you know what happened to Corpl. McBee, who was on the train?

Mr. HILL. Yes, sir. He was a soldier, went up to Corpus, I think, on a few days' trip, and on his return he was on the train, and they shot his brains out and killed him.

The CHAIRMAN. Do you know of any other soldiers who were shot at that time—Brashear?

Mr. HILL. Well, I don't know them personally, I just knew——

The CHAIRMAN. You knew they were shot?

Mr. HILL. Oh, yes; yes, sir; I knew they were shot. And I knew the engineer who was killed there, too. He was a very warm personal friend of mine.

The CHAIRMAN. That was Kendall?

Mr. HILL. Yes, sir.

The CHAIRMAN. Do you know about an attack on the soldiers' camp at the oil well, a few days after the wrecking of this train?

Mr. HILL. Yes, sir. They had some soldiers there, guarding that bridge—they had burned it and rebuilt it, and they had some soldiers there, and they came up there and shot them up a lot.

The CHAIRMAN. Did they wound one of them so that he died?

Mr. HILL. I don't particularly recollect about that, but——

The CHAIRMAN. Yes, we have the evidence as to that killing. Do you know anything about a band of 24 Mexicans crossing into Texas on or about June 14, 1916, nine miles west of Brownsville at a place called Ranchito?

Mr. HILL. Yes, sir.

The CHAIRMAN. The statement which the committee have had testified to is to the effect that they were discovered northeast of San Benito by Capt. Watson, and a detachment from the United States Army fired into them, and that one Mexican was afterwards found dead; that Gen. Parker, who had then taken command of the district, ordered Lieut. Newman, with 50 soldiers, to go after the marauders; that Newman left Brownsville about 12 o'clock midnight on the 16th; do you know where he followed those raiders to?

Mr. HILL. Why, Senator, we knew that those people were going to come across the river, before this happened, and we were all sitting there waiting for them.

The CHAIRMAN. Coming across the international boundary?

Mr. HILL. Yes, we knew they were coming, and they were going—they were going to meet at this ranch, the Cortillo ranch, where this Mexican, Juan Garcia, was killed, that was killed at Norias.

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There were several—three or four—men there at that ranch, including Col. Bullard, who was then in command of the Twenty-sixth; and this Lieut. Watson—he was instructed to go up to this ranch, but instead of his going to this ranch, he stopped up there at another place for some reason or other, where a man by the name of Scott Brown lived, and as he was going on down to this Cortillo ranch he ran into this bunch of Mexicans and had this fight, and they shot one of them as soon as they hit there, and they ran—they went down the resaca. We got after them, and they went down the resaca, and we followed them down to Los Fresnos. They scattered out there. We captured a great deal of their equipment, their horses, and the like of that.

The CHAIRMAN. Did you capture any arms?

Mr. HILL. Yes, sir; we captured quite a lot of arms and ammunition. And then, after they found them out there, then Col. Bullard notified Gen. Parker, and then they crossed that Ranchito. Some of them went back that way, and a lot of them went into Mexico.

The CHAIRMAN. Then the American soldiers, under Lieut. Newman, crossed over into Mexico after them?

Mr. HILL. Yes, sir; and a whole lot more of them went over. I went with them.

The CHAIRMAN. Did you find them?

Mr. HILL. Well, we found lots of Mexicans over there?

The CHAIRMAN. Did any skirmish at any time take place about the Pedernal ranch between these American soldiers and Mexicans?

Mr. HILL. Do you mean, across the river?

The CHAIRMAN. Across the river?

Mr. HILL. Yes, sir; they were shooting all day and all night long around in that country there.

The CHAIRMAN. Maj. Anderson, Capt. Read, Lieut. George H. Peabody, Lieut. McGuire, Capt. Wells?

Mr. HILL. Yes, sir.

The CHAIRMAN. Machine gun troop, Capt. Oscar Foley, all of them joined in them?

Mr. HILL. Yes, sir. Maj. Anderson, he went across with the Cavalry.

The CHAIRMAN. Yes.

Mr. HILL. And so, that night, Col. Bullard loaded up and took a company of his regiment, machine-gun platoon, down there, and hospital corps, and signal corps, and got in there about 3 o'clock in the morning and began shooting in there—over there all night long—they stayed over there; the next morning——

The CHAIRMAN. That was Sunday?

Mr. HILL. I don't recollect what day it was, now, Senator, but I know the next morning they fixed up the machine gun there and Bullard was—they had put up the wireless—and Bullard was crossing his infantry. I think he notified Gen. Parker that he was there and that was what he was doing, and what Anderson was doing, and what Newman was doing, and all like that; then Parker—or not Parker—but Frank McCoy, wired him to withdraw out of Mexico.

The CHAIRMAN. Well, now, after they received their orders to withdraw, and when they were crossing and all, and Capt. Read's troops had reached the American side, were they fired on?

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Mr. HILL. Oh, yes; yes—what they term, what they call in military affairs—he covered the retreat.

The CHAIRMAN. Did any of Capt. Read's men turn back and return the fire of the Carrancistas?

Mr. HILL. Yes, sir.

The CHAIRMAN. In this encounter, the statement which we have says that two Carrancistas were killed; one of them being a subaltern officer.

Mr. HILL. Yes, sir; there were some of them killed.

The CHAIRMAN. Now, what was the general condition about that time among the citizens on the border down there—did they feel safe under the protection of their flag?

Mr. HILL. No, sir; no. They were just in this fix, gentlemen: All the Americans down in that country, the biggest part of them, they were going this way [indicating].

The CHAIRMAN. Which way?

Mr. HILL. Up north, up the railroad, getting out of that country. And all the Mexicans were going that way [indicating toward Mexico], and the people, they came into town and lived—the people that lived out in the country.

The CHAIRMAN. They brought their women and children into town?

Mr. HILL. They brought their women and children into town, and a great many just got on the train, left their chickens and hogs and cows, and everything else, and just went to Corpus and San Antonio, and went from there to Canada—just scattered all over the country: there were some places there just absolutely depopulated—wasn't anybody there.

The CHAIRMAN. And this was all on the American side?

Mr. HILL. Oh, yes.

The CHAIRMAN. In the State of Texas?

Mr. HILL. Oh, yes.

The CHAIRMAN. Did you have any losses there in property to any extent yourself?

Mr. HILL. Well, yes. I had a sugar mill there. I built a few years before that, and it was burned up; cost me about—my loss was about a half million dollars; no insurance. We were in a pretty bad fix down there, Senator; the life insurance companies wanted to cancel our life insurance and the fire insurance companies would cancel all they had.

The CHAIRMAN. What were the objects of those raids? Do you know?

Mr. HILL. Well, Senator, I will tell you, that is a question that bothered us down there for a good little while. What were they up to? Now, when the thing first started we couldn't understand—we couldn't understand why those fellows there would want to come over there and steal a few cows, and things like that, and run across the river; but when we found out that there was 25 or 30—and those Mexicans in that country were well to do Mexicans, and they were affiliated by marriage and by blood relation to some of the most promient people in that country—they were what we called a lot of honorable, high-class Mexicans, that we all had confidence in and whom we believed to be good citizens. We got to investigating this

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proposition, and we found out that they had been sending off a lot of money through the post office and other ways—men like Pizana, and all those fellows—that Mexican Pizana, he was looked upon—I knew him intimately—I looked upon him as an honorable, and a high-class and as straight a Mexican citizen as there was in that country. He was a man that was unusually well fixed. Now, they would go and send money from Bay City, and they sent a world of money to Los Angeles, Calif., to—some of that money went to a firm known as the Magnon Bros.——

The CHAIRMAN. Magon Bros.

Mr. HILL. What?

The CHAIRMAN. Magon.

Mr. HILL. I think it was Magon or Magnon; something like that.

The CHAIRMAN. Ricardo Magon.

Mr. HILL. I think he is the fellow. Well, they sent worlds of money over there, and they had all kinds of literature from California on this I. W. W. stuff.

The CHAIRMAN. You are familiar with the Spanish language?

Mr. HILL. Yes, sir.

The CHAIRMAN. Did you ever see any copies of the paper known as or called Regeneracion Publica in circulation down there?

Mr. HILL. I can not identify, but we used to get that stuff by the sackful, you know. Well, now, they would send this money off, and then they would order guns and ammunition—now, I know three or four occasions that there were 351 automatic Winchesters and other ammunition—lots of it, you know—and it kind of got noised around, you know; they found out that they were trying to take that country, you know, and they said they were going to run all of the Gringoes out of there, you know. Well, to my mind and to the other fellows', that was absolutely inconceivable, you know, how a bunch of Mexicans would take a fool idea in their heads that they were going to kill all those Americans and take all that country, you know; it was just laughable to us, you know, that they really meant it. But they were coming over there—they would tell us—well, they were coming over here in bunches and take your horses and burn up your houses and kill you and then, after a while, they were just going to come over in a great big army and take the whole country.

The CHAIRMAN. That is, come over from Mexico?

Mr. HILL. Well, they just talked about coming over; that is the way they talked. Well, of course, the inside dope, you know, we could never get it from the leaders, you know, because we could never get in touch with them—get our hands on them, you know; but we would get hold of some fellow, and they would tell us, and there was no two ways about it but what they had gone into the minutest details with all these folks in sympathy with them; what their object was and what they were going to do—because there were so many of them that would practically tell the same facts, and there is no doubt, either, but what the majority of Mexicans on this side of the river in Texas sympathize with them and rendered them every aid and comfort within their power; and you catch some of those fellows and ask them what in the name of goodness is the matter with you Mexicans; are you all going crazy here? Well, what are you up to; what are you going to do? "Well," they

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said, "we have organized, and we have got some foreigners going to help us, and we are going to take all the land back that you Gringoes stole from us before the constitution of 1857."

The CHAIRMAN. What terms did they use to describe these foreigners?

Mr. HILL. Well, "enrejados"—something like that.

The CHAIRMAN. Extranjeros?

Mr. HILL. That is it; that is the name.

The CHAIRMAN. Well, now, you are familiar with the Mexicans as a race. Do the Mexicans with whom you are acquainted, by the term "extranjeros," do they mean Mexican citizens?

Mr. HILL. No; they don't.

The CHAIRMAN. Do they mean Americans?

Mr. HILL. No; they don't; them fellows didn't; they meant Alemans, to come out and tell you the right of it.

The CHAIRMAN. Aleman means a German?

Mr. HILL. Aleman means a German. They would tell you they had instruction not to kill any Germans and not to molest any Germans and they would tell us—there was a whole lot of Germans in that country and there were about—there was a whole raft of Germans came down there and lived down there, and on both sides of that river, too. Now, when a Mexican uses that term he didn't mean a local Mexican there, nor did he mean a gringo, nor did he mean a Mexican on the other side of the river.

The CHAIRMAN. No; the term "gringo" is applied to the Americans?

Mr. HILL. Absolutely.

The CHAIRMAN. And they did not use the term "extranjeros" for Americans?

Mr. HILL. No; they did not mean it, nor didn't mean it for Mexicans on the other side of the river, but they mean "Alemans."

The CHAIRMAN. Germans.

Mr. HILL. Because they said they had instructions not to kill any Germans nor molest any Germans.

The CHAIRMAN. They call a German an Aleman?

Mr. HILL. An Aleman; yes, sir. They—well, some others would say that they were going to take the country between the Rio Grande and the Nueces, and they had it all framed up, had their state organizations, they would tell you who they were—the governors, lieutenant governors, and who were going to be the generals, judges, and all those things.

The CHAIRMAN. There was a little dispute about 1848 concerning the Nueces and the Rio Grande?

Mr. HILL. Yes, sir.

The CHAIRMAN. About the boundary between this country and Mexico?

Mr. HILL. They would just sit right down and tell you about it, that it was stolen—that is the way they feel about it.

The CHAIRMAN. And they were going to take it back?

Mr. HILL. Yes, sir; and the Aleman was going to help them, furnish them ammunition, money, and everything.

The CHAIRMAN. Mr. Hill, I think that just for the present—the committee may desire to recall you, but just for the present we thank you very much.

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Mr. HILL. Well, Senator, I would like to get out of here by 11 o'clock, if possible.

The CHAIRMAN. Well, we will let you know in plenty of time.

Mr. HILL. All right, I thank you very much.

TESTIMONY OF MIKE MONOHAN.

(The witness was duly sworn by Dan M. Jackson, Esq., clerk of the subcommittee, duly authorized.)

The CHAIRMAN. Mr. Monohan, where do you live?

Mr. MONOHAN. Brownsville.

The CHAIRMAN. In this State?

Mr. MONOHAN. Brownsville, Tex.; yes, sir.

The CHAIRMAN. You are a native citizen of this country, the United States?

Mr. MONOHAN. Yes, sir.

The CHAIRMAN. Of what State?

Mr. MONOHAN. Texas.

The CHAIRMAN. Were you living around Brownsville in 1915?

Mr. MONOHAN. Yes, sir.

The CHAIRMAN. What official position, if any, did you hold?

Mr. MONOHAN. I was first deputy sheriff of the county at that time.

The CHAIRMAN. What was the condition with reference to lawlessness or violence in and around Brownsville and the district in which you were an officer in the year 1915?

Mr. MONOHAN. Well, it was very bad, we were having bandit raids, murders, and robberies, and so on.

The CHAIRMAN. You investigated these bandit raids officially, did you?

Mr. MONOHAN. Yes, sir.

The CHAIRMAN. From time to time?

Mr. MONOHAN. Yes, sir.

The CHAIRMAN. Where were those bandit raids from—where did they originate.

Mr. MONOHAN. Why, from Mexico, the best that we could ever determine.

The CHAIRMAN. Did you have, in the course of your official duties, any personal contact with any of these raiders?

Mr. MONOHAN. Yes, sir; I was in one battle with them.

The CHAIRMAN. Where was that?

Mr. MONOHAN. Los Tulitos ranch. Aniceto Pizana's home.

The CHAIRMAN. What occurred there at that time, Mr. Monohan; in your own words, just state.

Mr. MONOHAN. What occurred there? Why, we were in pursuit of a bunch of bandits that had crossed the river at Brownsville and were going in that direction.

The CHAIRMAN. Pardon me just a moment. When you say "crossed the river," you mean the Rio Grande, the national boundary?

Mr. MONOHAN. Yes, sir.

The CHAIRMAN. They came from Mexico to this side?

Mr. MONOHAN. Yes, sir.

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The CHAIRMAN. Of course, we all understand that, but are getting it for the record, for people who do not understand it.

Mr. MONOHAN. Yes, sir. If I remember right, it was Sunday morning—or Monday morning—we had this report about sunup, how they robbed some milkmen, etc., and we ran in pursuit of them, and we really ran right upon them, and there were only four of us in our party and we withdrew from that pursuit and went away to San Benito and got a detachment of soldiers, a lieutenant and 40 soldiers, and I was piloting these men across the country; I thought I would take them a short cut, and the next morning about sunup we got in the neighborhood of where they were; we rode up to the Tulitos ranch, saw three or four men jump up and run into the house with rifles in their hands, and so there was an opening, and we circled around the house, and it was kind of brushy, and we ran into a wire fence, but we surrounded the house and they opened fire on us from the house; they killed Private McGuire in the first volley of shots, one of the first shots, and a few minutes later I was wounded.

The CHAIRMAN. Seriously wounded?

Mr. MONOHAN. No, sir; I had a flesh wound through the thigh. In this band right there at that time there was only 12 or 15 men; we were chasing 40 or 50 men. We came to the ranch house the day before, as I say, where we ran into them, and they had just finished their meal, and had released these two milkmen—we met the milkmen just before we got to this little goat ranch, having breakfast, and rode off just ahead of them. We got ahead of them, and they fired into an automobile when we were within a few hundred yards of them; there was a civil engineer in the automobile, and Sonny Huff, B. L. Conrads; they wounded Sonny Huff in the car.

The CHAIRMAN. They were not waiting to be attacked then?

Mr. MONOHAN. No, sir; they attacked these people, believing it was our car; they knew we were chasing them in an automobile, and I suppose that was their intentions.

The CHAIRMAN. Now, did you ascertain the character of any of these men who had crossed from the other side—that is, as to whether they were Carrancista soldiers or just a band made up of bandits?

Mr. MONOHAN. Well, now, these men that I saw, I couldn't tell, of course, it was just daylight in the morning, the sun was just coming up and I couldn't tell just exactly who they were—the uniform is hard to tell, and everybody most wore khaki clothes in the brush out there, most of the bandits you ran across had on khaki clothes; I never was able to ascertain whether they were Mexican soldiers or not or anything of that kind.

The CHAIRMAN. What were the general conditions along the border about that time and later with reference to disturbances?

Mr. MONOHAN. Why, it was very bad indeed, the people felt unsafe in places except right in our best towns and biggest towns, all the little towns were being crowded by soldiers and by civilian posses that had been made up and guards that we had organized, and so on, all along the border there, all along the valley; people were moving, and dissatisfied and it was about as fierce as you could expect.

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The CHAIRMAN. Who was in control on the Mexican side?

Mr. MONOHAN. Gen. Nafarrate.

The CHAIRMAN. Gen Nafarrate, Carrancista general?

Mr. MONOHAN. Yes, sir.

The CHAIRMAN. Was there any attempt of which you know of the Mexican authorities to prevent these raids from Mexico into the State of Texas?

Mr. MONOHAN. None whatever that I know of, and I had a great deal of dealings with Nafarrate at that time—tried to have, but I never could get any assistance from him at all.

The CHAIRMAN. Did you have any reason to believe that the bandits themselves received assistance from the other side?

Mr. MONOHAN. Yes, sir; later on I knew they did; at that time I was ignorant of it, at the beginning of this bandit trouble I was ignorant of it, but it soon developed that it was known that he was assisting them.

The CHAIRMAN. Nafarrate himself?

Mr. MONOHAN. Yes, sir.

The CHAIRMAN. You were not in any other armed encounters with these bandits?

Mr. MONOHAN. No, sir. I was right in behind lots of them but that is the only engagement I ever had.

The CHAIRMAN. Where did they make for, where did they generally go when you were in behind them, as you say?

Mr. MONOHAN. Well, most always to the river.

The CHAIRMAN. To the national boundary?

Mr. MONOHAN. Yes, sir.

The CHAIRMAN. To get across?

Mr. MONOHAN. Yes, sir.

The CHAIRMAN. Did the American soldiers who were along the border attempting to assist in guarding American homes, did they cross the river after these bandits?

Mr. MONOHAN. No, not until 1916—I believe we had an expedition in 1915.

The CHAIRMAN. Did they have more than one expedition in 1915?

Mr. MONOHAN. In our locality I don't recall any if there was.

The CHAIRMAN. That was the expedition under Maj. Anderson?

Mr. MONOHAN. Yes, sir.

The CHAIRMAN. And they were recalled by their superior officers?

Mr. MONOHAN. Yes, sir.

The CHAIRMAN. Much obliged; that is all, unless you have something.

Mr. MONOHAN. I—Mr. Hill, you asked him about the Galveston ranch raid up there. I had written information from a Mexican who said that that raid was to be pulled off and Col. Blocksom gave me permission to conduct the guard on the river on Saturday after I told him what I had, he ordered a guard or detachment of soldiers from the Twelfth Cavalry from the head gates of San Benito to the ranch and also a detachment from the Sixth Cavalry from Harlingen to go across there, and I suggested to him that I knew the country well and would like to put that guard out there, I knew how to do it, and I told him if you will let me I may catch some one, otherwise you will just put a guard along there to prevent these men cross-

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ing and they wouldn't see them do it, and he agreed with the idea and gave me three soldiers to go with me for road protection.

The CHAIRMAN. Soldiers?

Mr. MONOHAN. Soldiers for road protection, however, no one traveled the roads at nights those days. And I got there ahead of the Twelfth Cavalry, I told them I would be there, and I had no idea that the Sixth was ahead of me. We went to the ranch house at Salacino Crossing, just where they would cross—that station was just above the ranch house; my information was that they would cross, but would not cross any men but guns and ammunition—they would cross guns and ammunition, but the men were on this side, and the Twelfth Cavalry detachment were dismounting, unsaddling, and getting ready—we were going to sneak across quietly and get on guard at this crossing; and the troop came down the road and en route to report to the guard, with Lieut.—some one in command of this Sixth Cavalry—had fired on a raft coming across the river, that was 2 o'clock Saturday morning, that was the very thing that we had gone up there to prevent, so he got everything balled up; and I went down to see this lieutenant, he told me it was dark, he had fired across the river, said he heard a raft coming across and hollered to them but they didn't stop, and he opened fire. Well, I thought I had done all I could do, that we had all done all we could and I went back. And Monday morning about 5 o'clock before day, they opened fire, on this detachment left at the ranch house and killed two or three outright—I don't know whether this Sergt. McGrath ever got well or not—that wasn't his name, I can't recall his name, but I know his name, too, but I can't recall it for sure. That was the information I got from a man I had working on the other side of the river. That is all I know.

The CHAIRMAN. Thank you very much.

(Thereupon at 4.30 o'clock p. m., the committee recessed until Friday January 23, 1920, at 10.30 o'clock a. m.)

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INVESTIGATION OF MEXICAN AFFAIRS.

FRIDAY, JANUARY 23, 1920.

SUBCOMMITTEE OF THE
COMMITTEE ON FOREIGN RELATIONS,
UNITED STATES SENATE.

The subcommittee met, pursuant to the call of the chairman, at 10.30 o'clock a. m. in the pink room of the Gunter Hotel in San Antonio, Tex., Senator Albert B. Fall presiding.

Present: Senators Fall (chairman) and Smith; Dan M. Jackson, Esq., clerk of the subcommittee.

TESTIMONY OF JOHN I. KLEIBER.

The witness was duly sworn by Dan M. Jackson, Esq., clerk of the subcommittee, duly authorized.

The CHAIRMAN. Judge, you are a citizen of the United States?

Mr. KLEIBER. Yes, sir.

The CHAIRMAN. Where do you reside?

Mr. KLEIBER. At Brownsville, Cameron County, Tex.

The CHAIRMAN. Of what State are you a native?

Mr. KLEIBER. I am a native of the city of Matamoros, Mexico. My paternal grandfather came to this country from Strassburg, Alsace, France, or Germany, many years ago. He became a citizen in Galveston during my father's early minority, and my mother was a native of the city of New Orleans, La. Thus, of course, the citizenship of my father and grandfather was acquired long prior to my birth.

The CHAIRMAN. Yes. Judge, how long have you known Judge Valls, who testified yesterday?

Mr. KLEIBER. Judge Valls was also born on the Mexican side of the river a few months later, I think, than I. We were raised together in Brownsville, Tex., and he went to Spring Mills, while I went to Notre Dame for our literary course. He went to the University of Virginia a year before I did for our law course. I took my law course afterwards. A few years afterwards he moved to Laredo to begin his practice, but I have kept in touch with him since then always.

The CHAIRMAN. What official position, if any, do you hold now?

Mr. KLEIBER. I am district attorney of the twenty-eighth judicial district of Texas.

The CHAIRMAN. How long have you occupied that?

Mr. KLEIBER. Twenty-six years.

The CHAIRMAN. Have you known anything of disturbances along the border during the last 10 or 11 years—10 years—along the international line between Mexico and Texas—the United States?

Mr. KLEIBER. I have.

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The CHAIRMAN. What have been the general conditions since 19—the latter part of 1910 and 1911?

Mr. KLEIBER. Prior to 1911 and prior to Mr. Diaz's fall I will say that the conditions had been—that is, after Mr. Diaz went in in 1876 or 1877 I was quite a large boy then, a pretty big boy—conditions had been very bad, but during Mr. Diaz's long administration for 35 or 36 years, he, so far as possible, cleaned up matters along that Mexican border. The enforcement of law and order was as successfully accomplished by him as could be, taking into consideration the character of the country at that time, sparsely settled, and the fact of its being an international boundary.

The CHAIRMAN. What were the conditions generally during that time on the American side of the border, as compared with the conditions since the Diaz régime or since the fall of Diaz?

Mr. KLEIBER. Well, very naturally there was, owing to the cooperation between the Mexican and American authorities during Diaz régime, we mutually profited by the joint enforcement of law and order. Since Mr. Diaz, or shortly after Mr. Diaz went out, matters began to grow steadily worse until they reached their climax in the raids, we call them, of the summer and fall of 1915, and continued until our Government sent those large numbers of troops—sent first the Regulars and then the National Guard of the several States. They have improved somewhat since then, but still there has been and is going on a good deal of stealing, matters have settled, the raids have ceased; in other words, no organized effort is being made now to destroy our Government or to put us out of business.

The CHAIRMAN. Were you a personal participant in any of the disturbances in 1915 or 1916 in any acts of violence—I do not mean yourself taking any part in the violence, but were you present on any occasion?

Mr. KLIEBER. On one occasion.

The CHAIRMAN. When was that?

Mr. KLIEBER. That was on the night of October 18, 1915.

The CHAIRMAN. Where?

Mr. KLEIBER. On a southbound passenger train of the St. Louis, Brownsville & Mexico Railway, about 4 or 5 miles north of Brownsville, just north of what is called the Tandy station or Tandy bridge.

The CHAIRMAN. What occurred at that time, just state?

Mr. KLEIBER. As I stated, I was a passenger on that train returning to Brownsville from Corpus Christi, Nueces County, where I had been attending court for a month or so.

The CHAIRMAN. Attending court in your official capacity?

Mr. KLEIBER. Yes, sir; in my official capacity, as district attorney, and we were, as I stated, within a very few miles of Brownsville, due about 11 o'clock, if I remember right, and we were a few minutes late. The train consisted—the train equipment, besides the engine and tender and express car, of two passenger coaches. The forward coach was divided into two compartments, the forward compartment being the negro compartment, and the rear compartment the smoker; and the second coach is what we called the day coach, or ladies coach, in which there was no partition, as there was in the first. I was seated in the smoker on the west side of the car which would be the right-hand side going south—the side of the train going south at

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the time. Just ahead of me were two drummers, Mr. Wright, and I forgot the other gentleman's name, occupied a double seat, they facing me. Across from them were seated three soldiers, or rather I should say two soldiers and an ex-soldier. The two soldiers were in uniform—do you wish these particulars?

The CHAIRMAN. Yes; yes, sir.

Mr. KLEIBER. I do not want to bore the committee, I only want to give such testimony as is relevant. The two soldiers in uniform were Corpl. Laymon of the Sixth Cavalry and Corpl. McBee, likewise of the Sixth Cavalry, and with them seated, talking with them, was a man who I learned was one Sword—John W. Sword—he had either been discharged from the service in the same regiment or was on furlough, or sick, we was in "cits"—citizens clothes. Immediately back of them, across the isle from me, was Pvt. Brashear, likewise of the Sixth Cavalry, in uniform. Back of them on a double seat was a Mexican family, an elderly man and wife and another woman, and a young boy perhaps some 16 or 18 years of age. Those people I know at the time were seated in those seats.

I knew they were on the train, but I do not know whether they were seated just there, but right back of them, almost across from the corner, was seated Mr. Harry Wallace—H. J. Wallace, an ex-ranger, a stockman—and Dr. Edgar S. McCain, the State quarantine officer stationed at Brownsville. I noticed that the train began to bump sort of, and slow up. Well, I felt it slacken speed and began to bump on the train quite violently, and listed—to use the nautical term—it listed to my side. That will explain something that I shall state later on in my testimony, in a way very relevant. At that moment the train stopped. Scattering shots and then irregular volleys broke out and increased in volume; and cries, shouts—"Viva Carranza," they cried. "Viva Luis de la Rosa." "Viva Aniceto Pizana." I remember that distinctly, and shortly afterwards I spoke of it to others who were on the train and they heard exactly the same cry. They were not cheers for anybody else, and they repeated again the "Viva Carranza" a number of times. It was a warm night and the windows were up, as well as the sashes, the curtains, and everyone went to the floor—went in between the seats. You could hear bullets whistling through the car. Excepting Dr. McCain, I think—as I afterwards learned Dr. McCain and Mr. Wallace, and, I think, the boy, I understood, took refuge in the toilet. I could hear them getting aboard the train and passing to and fro. I had only been lying there a very few minutes when I saw corporal—or not corporal, but Brashear, the man across from me—stick his head out into the aisle; and as he stuck his head out into the aisle I saw a look of intense terror come into his face—I was only a short distance from him. He threw his hands up and his eyes became set and he gasped. Just then I saw the mouth of a rifle go by, and I saw the flash, and I saw the blood spurt, and he fell. This listing, as I say, of this car, continued, and I laid there; and the firing continued.

Finally, by that time the blood from Brashear had come down in a pool and I was covered with blood. I had on a light suit like, a blue serge coat and a pair of summer trousers, linen trousers, and the next thing I knew a large man with a bandana handkerchief—this common Mexican bandana handkerchief, made into a mask, that is, in a

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rough way—there were holes in it for his eyes, covered the upper part of his face down to his mouth, came to where I was lying and stuck his gun a number of times into my arm, upper arm, punched me with the gun and said, "Give me money; give me money." He doubtless thought I was grievously wounded, else I am satisfied that he would have shot me. I reached and gave him my purse from my pocket, and he saw a fob and he said, "Give me watch," and I handed him my watch. By that time the leader, evidently—I could hear his voice; he was evidently standing at the rear door of the coach at the toilet where Dr. McCain was killed—and he kept calling to them, "Come on"—"Vengase," "Vengase," and he cursed them in Spanish, used a number of Spanish obscene terms, Mexican terms, rather, and this fellow by that time had observed my shoes. I had on a pair of tan shoes much the style of the service shoe worn by the military, practically a new pair. He said, "Give me shoes." I replied to him—whenever he spoke to me I would reply in Spanish. My experience in Mexico, although I had always been treated with utmost courtesy, when I went down there in the old days, was that whenever they found you spoke Spanish—it is but natural in any country—you are always accepted with a little more degree of frankness. I answered him in Spanish and I said, "Tome, tome," "Take it," and he laid his rifle to one side and started to unlace my shoes, when the leader became a little more urgent, and cursed him and said in Spanish, cursed him in Spanish, and I kicked off the shoe, I unlaced the other one and kicked it off and he picked up the shoes and picked up his rifle, and by that time I could hear the men retreating, hollering for one another to come on, that relief might arrive. They were very badly rattled, and they then left the train. I glanced over to this man Brashear; I thought he was dead up to that moment; he saw that I was alive and he began to move his finger, pointed to his mouth, and by that time you could hear moans.

Dr. McCain was in intense agony, and so was Wallace and the others, and the Mexican woman was excited. I pulled out my drinking cup. One of these men started back and I told him no, pull down the shades. We started down the car and the car was a perfect shambles, blood from one end to the other. I got down to the water cooler and as I did so I saw Dr. McCain right in the aisle on his back. He recognized me and called to me and said, "Mr. Kleiber, they have got me." I said, "Where?" He said, "They have got me in the abdomen," and he called for water, and I got him water, and Mr. Wallace also. By that time, two minutes, they had quieted down, and the conductor came back, and the brakeman had jumped off the train and was going north for relief; he was the one who went to Almita, or started to Almita, he got in touch with someone and sent word into town. Just ahead of Brashear in the car, as I stated, was Corpl. McBee. He was murdered. They shot him through the head. They took his shoes, and took the shoes of Brashear. In other words, they seemed to have a weakness for these military tan shoes, and those were the three whose shoes they took, the two soldiers and myself. Wallace was wounded, I discovered, in the shoulder, and also in the finger—one of the fingers was shot off. If you have him before you he can give you, first hand, just how Dr. McCain was killed. Of course, I know from what he stated to me at the time, and I can state it to you if you wish.

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The CHAIRMAN. Yes; just go ahead.

Mr. KLEIBER. Well, Wallace stated to me that he and Dr. McCain were seated, as I have just stated in the last seat across the aisle from the toilet, and when the train bumped and was about to stop, and the shots rang out, that Dr. McCain got out of the seat and looked around and they didn't see him, he had gone into the toilet. Wallace started to go into the toilet when the first man got in, got aboard and fired and wounded him—no, I do not think they wounded him, they fired and he went into the toilet and the young Mexican boy got into the toilet, as well, and closed the door, and Dr. McCain stood on the toilet seat. They came to the door and battered on. I heard that myself; I did not know where the battering was. Either the Mexican boy or Wallace opened the door partly opened it, and as they did so, they dragged the Mexican boy out, and the Mexican boy told them that he was a Mexican and that there were two gringoes in there, and the minute he said there were two gringoes—I will say gringoes is a term for Americans that the Mexican uses in contempt just as many Americans do the greasers, I suppose you are familiar with it.

The CHAIRMAN. Yes; I understand it.

Mr. KLEIBER. It is a term of contempt. And they immediately fired into the toilet. As I understand it, Wallace was standing on the lavatory, and he was shot in the shoulder. The shot that struck Dr. McCain, who was standing on the toilet, went through the door. I examined that myself, and he evidently must have been standing, because it was quite high in the door. They killed McBee, as I told you. They wounded Brashear, as they thought mortally. They thought I was mortally wounded. They killed the engineer; that is, he was caught in the engine as it turned over in the ditch. Those are the facts immediately surrounding the transactions of which you have asked me. I will say this, also in regard to the robbery feature, if you wish. They took everything out of these two cars that was portable, in the way of baggage, luggage, etc., from every one on that train, except the Mexicans. I heard the Mexican woman and man pleading with them in our car, telling them that they were Mexicans, and their reply was, "Mexicanos no, Gringoes no mas;" and as they came into the car I forgot to say that as they saw the soldiers in uniform it evidently enraged them because they began to cry, "Matenlos soldados, Americanos cabrones;" that is, "Kill the soldiers," using this obscene term. In the rear coach they robbed a gentleman from Chicago, a stranger, he gave me his name but it has passed out of my mind—of his watch and chain and jewelry, what jewelry he had on him, they took his ring and what jewelry he had on him and money, and were about to shoot him when Mr. Edelstein, a Jewish merchant from Brownsville said to them that this man was a German—he had already stated to them, by the way, that he was German, and they did not touch Edelstein, they didn't take anything from him. There was an American lady returning from San Antonio in an invalid condition at the time. They robbed her of a diamond ring or two and money and what jewelry she had. There was a Mexican lady whose husband is a merchant in Brownsville, Mexican people. I noticed when I went into the car afterwards that she had on considerable jewelry. They did not take a thing from her at all, and in fact stated to her that she need have no fear, they were only going to

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rob Americans, she told me that and expressed indignation, I will say that for the lady.

The CHAIRMAN. They did not harm Edelstein?

Mr. KLEIBER. In no manner whatever.

The CHAIRMAN. Then, they did not harm this American from Chicago when Edelstein told them that he was a German?

Mr. KLEIBER. No, sir; they had already robbed him, though, before that—before they knew that and before they were told that.

The CHAIRMAN. They were going to kill him?

Mr. KLEIBER. Yes, sir; he so stated to me, as did Edelstein.

The CHAIRMAN. Edelstein then interfered and told them that this Chicago man was a German, and then they desisted?

Mr. KLEIBER. Yes, sir; let him off.

The CHAIRMAN. What effort, if any, if you know, was made to apprehend these bandits—murderers?

Mr. KLEIBER. The first line that we got as to the identity of the man, except for the fact that Wallace stated that Luis de la Rosa was on the train; he knew him very well; he spoke of him and he made that statement to me that night, and he has since testified to it as matter of record, too; aside from that, the first line that we got in the way of testimony was that Sheriff Vann and the officers got hold of a young man by the name of Cheno Flores, who is here; I saw him here this morning.

The CHAIRMAN. Was he in that raid?

Mr. KLEIBER. So he said, and it was in evidence; he testified on the examining trial of one or two parties that the band that robbed that train and murdered those people was organized on the Mexican side of the river. He was working at a little place called Las Rucias, a short distance—3 or 4 miles—from the city of Matamoros. He claimed that these people had practically kidnapped him and had him under duress; that of the sixty odd men that attacked the train about 55 of them were organized in the city of Matamoros.

The CHAIRMAN. Mexico?

Mr. KLEIBER. Yes, sir. The commanding officer at that time was Gen. Emiliano Nafarrate, but, as he put it, about 20 or 30—about half and half—20 or 30 of them were infantry, dismounted, and the others mounted, all armed and equipped; that they crossed the Rio Grande on the morning of Monday, the 15th of October, 1919——

The CHAIRMAN. 1915?

Mr. KLEIBER. Did I say October 15—I meant October 18, 1915, that they reached the scene of the wreck about sundown; that they were there joined by about four or five men from this side, from the northern part of Cameron County; that they then made camp and then prepared to wreck the train; that they loosened one of the rails on the west side, took out the fishplates and spikes and tied a stout wire to the rail and fastened the other end of the wire around a crowbar, which they drove into the ground, for leverage, and as the train approached they pulled the lever and there was a wreck; that they disbanded immediately thereafter; and that all of these men from Matamoros, or from the other side rather, excepting himself, went back to Mexico.

The CHAIRMAN. Was there any effort of which you know to secure any assistance from the Mexican authorities in apprehending any of these men?

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Mr. KLEIBER. You mean by way of extradition proceedings?

The CHAIRMAN. Yes; or any other proceedings?

Mr. KLEIBER. I will say, by way of extradition proceedings, that so far as extradition is concerned, up to that time and since, with one exception, it is something that does not exist; it is a lost art—you might use the term a lost art; and I will say right here—I might as well as later on in this testimony—that up to the time of Mr. Diaz's fall my experience in the lower Rio Grande district had been exactly that of Valls; we often compared notes when we met, and we never had any trouble in securing a man where we tracked the treaty and furnished our proof. In fact, I had the most cordial support, and they particularly never raised, as they could have done, the question of citizenship. In other words, if we asked for a man and he was a Mexican citizen, it made no difference to them if we furnished them with the proper quantum of proof. After Mr. Diaz went out of office, why, I made one or two or more attempts, and I was treated just as Valls was, except they simply did not pay any attention to me at all. So that in this train matter, and in fact in regard to all of these raids in 1915, we didn't ask for any of these people, because there was nothing doing.

The CHAIRMAN. Now, you say that these Mexicans were greeting, "Que viva Carranza! Que viva de la Rosa!"?

Mr. KLEIBER. Luis de la Rosa and Aniceto Pizana.

The CHAIRMAN. And Aniceto Pizana. Do you know where Aniceto Pizana is?

Mr. KLEIBER. You asked a minute ago if we made any effort to get any cooperation with the Mexican authorities. It was a matter of notoriety down there that Pizana and de la Rosa went right back to Matamoros; they were back and forth down there so far as that is concerned. In other words, they would come over and commit one of these depredations and go right back. The day after the train wreck these men were seen on the streets in Matamoros, and were there for quite a while. After that de la Rosa, I understand, drifted down to Monterrey, and afterwards got his commission as a general in the Carranza army. Pizana remained there and then went to Tampico. They made a bluff of Pizana and they claimed to have arrested him and then given him the freedom of the city. They mean where they give a fellow the freedom of the city he is simply under surveillance, under parole, they don't mean he is confined to the city alone. The last I heard of him he was at Tampico, I don't know his present whereabouts, although I understood that he had gone down to the southern part of the Republic—that I don't know.

The CHAIRMAN. Neither the States authorities nor the United States Government, had, so far as you know, been able to obtain extradition or been able to mete out punishment to either de la Rosa or Pizana?

Mr. KLEIBER. They have not been able to do it; no sir; they have never been able to do it.

The CHAIRMAN. Do you know whether either of these parties is under indictment for murder on this side of the river?

Mr. KLEIBER. These parties?

The CHAIRMAN. Either Pizana or de la Rosa?

Mr. KLEIBER. Yes, sir.

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The CHAIRMAN. Both the——

Mr. KLEIBER. They are both under indictment for a number of these raids. The testimony that we had in the investigation of these several murders disclosed this fact: That wherever it was possible for them to operate in company with one another they did so, but where it was not—in other words, if two raids were planned for about the same time at points so far distant from one another as to prevent the presence of both of them together, one would take command of one raid and the other would take command of the other particular raid. We have parties under indictment for the Tulitos killing. That was the killing at the Pizana ranch. Pizana, I know, was under indictment for that, together with a couple of his cousins. De la Rosa I do not think was, because I think he was off at another place engaged in some other raid. They are also under indictment for the Norias raid up in Willacy County. You may have heard of that, the Norias raid.

The CHAIRMAN. Yes, sir.

Mr. KLEIBER. De la Rosa is under indictment for that, and the testimony of an aged Mexican, a very good man and reliable, an employee for many years of Mrs. H. N. King, who was captured by these men when they started out on this Norias raid the ranch showed unquestionably that this band were likewise organized in Mexico, well equipped, armed, and maintained a military discipline, for they had their check roll—their roll call at stated times during the day, and de la Rosa and Pizana were both there, and de la Rosa in command of these troops. There is an indictment for that. Also under indictment—de la Rosa, I am not sure that Pizana was; and de la Rosa is under indictment for the murders of the Austins at Sebastian, and the robbery of the Alexander post office, that was the post office of which Mr. Alexander was the postmaster. I referred to the Austins, father and son, at or near Sebastian.

The CHAIRMAN. Was this Gen. Flores there; was he present at the murder of the Austins?

Mr. KLEIBER. I do not know. I have no reason to believe he was. Now, in the Austin murder—it also developed in the Austin double murder and the robbery by firearms of Mr. Alexander, the postmaster—that this band was also organized in Mexico, and consisted of some 20-odd men. Only 2 men of that band were from this side of the river, and we captured them and we tried them and gave them the death penalty and they were hung. That was Jose Buenrostro, and his codefendant was Melquiades Diaz, I think; I am not quite positive now.

The CHAIRMAN. There were various raids——

Mr. KLEIBER. Pardon me. Another fact, if you wish, while we are on that.

The CHAIRMAN. Yes.

Mr. KLEIBER. This is relevant. Another circumstance, and a very potent one to my mind, and I think it will so prove to yours. I was informed by Maj. Gen. Blocksom—Augustus P. Blocksom, now retired——

The CHAIRMAN. United States Army?

Mr. KLEIBER. United States Army; then colonel commanding the Third Cavalry, Brownsville district, stationed at Fort Brown—the day after the wreck that the guard, the military guard that had been

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stationed for two months or more at that Tandy Bridge, just south of where we were wrecked, and which was set fire that night, by the way, before the train was wrecked, had been withdrawn on Saturday night. The testimony of Flores shows that their plans were laid in Matamoros on Sunday, or they were formed Sunday, and that they crossed Monday morning, thus showing that the people over there—Nafarrate and the people over there—were kept in touch by some "grapevine route" or other as to the physical conditions here, and once they saw this opportunity they took advantage of it. Up to that time the military had maintained a guard at every bridge, every station, and, in other words, every point of possible attack along the lines of the St. Louis, Brownsville & Mexico Railway for two months or more, and this guard had been withdrawn on Saturday night for the reason, as stated to me by Col. Blocksom, that it had been six weeks or more since we had had any trouble; the thing had sort of died down, and the Tandy Bridge being in such close proximity to the station of Brownsville, or Fort Brown, the headquarters of that entire military district, the military considered it was not necessary; that was the idea, and yet, notwithstanding that fact, no one knew this except the colonel and his adjutant—I suppose these people over the river knew it by daylight the next morning and took advantage of it. But it is a circumstance that goes to show that the heart and head and brains of the whole thing was right in Matamoros.

The CHAIRMAN. Mexico?

Mr. KLEIBER. Yes, sir; its headquarters, Gen. Nafarrate.

The CHAIRMAN. Judge, how many Americans more or less in that district have been assassinated or murdered from 1911 up to the date by men from Mexico?

Mr. KLEIBER. Murdered? Well, I will say that during all of the murders that I spoke of, during that period, rather, say during 1915, well, let me see, there was the Austins, two of them, and Mr. Smith, and Mr. Donaldson, and the Fresnos fight—I forgot to mention that Pizana, I know, was under indictment for that, he was in command of that fight, and the testimony unquestionably shows that, that people who knew him saw him. Corp. McQuire of the Army, he was killed at the Tulitos fight. At Las Norias they greviously wounded Frank Martin, left him for dead, he recovered and was murdered since then by two Mexicans—not from the other side, however. I judge down in that county there were a dozen or more, approximately.

The CHAIRMAN. Now, the officers of the law and the soldiers on this side received some assistance?

Mr. KLEIBER. Oh, I have mentioned already Dr. McCain and the soldier, and Kendall, that would make it about a dozen, sir.

The CHAIRMAN. The officers, the peace officers and the military forces on this side of the river received assistance from the residents on this side, did they, from the native residents, that is of Spanish descent, Mexicans?

Mr. KLEIBER. Will you permit me to make a little statement about that to show you, without being prolix?

The CHAIRMAN. Yes, sir.

Mr. KLEIBER. As I have stated, I was born and raised in that country and my people were pioneers in that country. My paternal

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grandfather came there in 1848 and my father came there in his youth; my wife's father, came there after that time, and our people have lived there ever since. My parents lived there for many years, and died in that country. My father and my grandfather and all of his people did business with those Mexicans. I was raised amongst them, and have lived amongst them, and I can say without boasting that no one knows the Mexican any better than I do, and few know them as well. Without boasting, but an actual fact, and I also know them, I think, to a great extent better than they do themselves. The Mexican, the ordinary Mexican, if treated properly by those who know how to treat him, know how to handle him, is a law-respecting and a law-fearing man, and it is only when he is misled by those in whom he unfortunately has confidence and he should not have confidence, and also by his own patriotism. They are an intensely patriotic people, and if any of these Mexicans, I am speaking of the Mexicans that reside on this side, that were born and raised here, were misled in this thing or went astray, it was because they were deceived by people of their own kind that had what I call a superficial education, whose head was educated and not his heart. That is the trouble to-day in Mexico, that of the 15,000,000 people down there, 13,500,000 of them are absolutely illiterate, and the other 1,500,000 are what we call educated, or the ruling class in Mexico, they are educated in their brains and not in their heart. These poor people down there, these Mexicans, when these raids started, were, I am satisfied, as much astounded and were as much against it in heart as I or any law-abiding citizen.

I will say this for them, that where they could aid us or were in a position to help us without putting themselves or their wife and little children in fear of life, that they did so. If the average Mexican—speaking of my district—if the average Mexican down in Cameron County or in Willacy County, in my district, failed to do what we considered he should have done affirmatively to aid the officers of the law throughout that awful period, I am satisfied it was for fear of his own life and those that he had around his little house. I have known of instances and instances, and I am satisfied that other officers will tell you the same thing, that Mexicans helped us perhaps not a great deal, but helped us all that they could help us, because it was in their heart. I think that answers your question.

The CHAIRMAN. Has there been any feeling displayed toward those Mexicans that did help you by others of their race from the other side of the river or this side?

Mr. KLEIBER. Why, any Mexican from this side of the river who was known to have helped us in any of these matters to enforce law and order, and is even suspected over the river that they had done so, why, they are proscribed, there is no question about that.

The CHAIRMAN. What was the result among the settlers and citizens of this country of which you have been speaking due to the raids, did the people become excited, did they leave their homes?

Mr. KLEIBER. Oh, yes, sir. That was due to a species of propaganda, if I can use the worn-out term. I say these people—Mexicans of the lower class especially—were very much frightened and wrought up, and I am satisfied, due not only to fear they may have had because of their nationality and race they might suffer at the hands of the Americans for what other fellow citizens of theirs had done,

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but I am satisfied that they were also told by means of this propaganda that such would be the case, and advised to get out, and there was an exodus—there is no other word for it. They left the State—they left Cameron County by the thousands. I saw them and everyone in Brownsville saw them, come through in their wagons with their little belongings. They sold what they had—that is, what they could not carry with them—for a mere nothing, to get out of the country.

The CHAIRMAN. Judge, I suppose that due to the conditions which you have been relating and the fact that many of the good Mexican people and citizens from this side were in fear of their lives from people of their own blood, and due to the murders and outrages committed by these bands to whom you have referred, naturally a feeling grew up between the American citizens as distinguished from the citizens on this side of native descent, which has manifested itself in occurrences of a violent nature probably since that time?

Mr. KLEIBER. Yes; since that time.

The CHAIRMAN. Then, one of the unfortunate——

Mr. KLEIBER. In other words—pardon me—you mentioned that as a result of these troubles there has been a certain amount of race feeling engendered?

The CHAIRMAN. Yes.

Mr. KLEIBER. Yes, sir; that is true to some extent.

The CHAIRMAN. Then, one of the unfortunate results of these violent occurrences—that is, murders and raids, etc.—from the other side of the river has been an estrangement between the two races on this side, and doubtless innocent people on this side have suffered because of the raids from the other side?

Mr. KLEIBER. That is correct, and if you will pardon me for injecting right there, that is one of the things that men like myself and Mr. Valls and others who were born and raised right there among these people have had to contend with, and our every effort has been and will continue to be as long as I live, whether I am an officer or not, no matter where I live, will be to bring back the not only harmonious but almost affectionate relations that existed between the two races in that lower country. For I have traveled that country for years, after I grew to manhood, up to the time that the road came in there 10 or 15 years ago, in my business as a lawyer, by every mode of conveyance known, traveled over that country when it was sparsely settled, and you would travel miles before you met anyone at all, and when you did strike a place it was some little Mexican jacal, no matter where you went, when you went, or how you went, armed or unarmed, whether you carried food with you or whether you did not, whether you had money with you or whether you had not, those people would take you in, sir, and share the last tortilla with you, or a cup of coffee if they had it, and if you offered them money they would almost with dignity but with the grace that is peculiar to that race decline it. I have traveled all over that country without even a copper.

The CHAIRMAN. And that spirit of comradship, as you say, practically of affection, was not broken until these bandit raids from the other side—the responsibilty for which has been traced to the Carranza government or at least some of the high officers of that

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Government—took place. I ask you, because the committee has information to the effect that either Mr. Carranza directly, or some Carranza propagandists have been engaged in an attempt to secure the names of Mexicans upon this side who have received injuries at the hands of the Americans upon this side to offset the claims made by citizens upon this side that the Carrancistas had murdered Americans?

Mr. KLEIBER. Preparing to bring his cross action?

The CHAIRMAN. Yes, sir; as we would explain it. So that if there have been hardships worked upon innocent Mexican people on this side of the river since 1915, in your judgment such occurrences have been due to the actions of the Carrancistas themselves in creating a breach of friendship and good will and understanding between the Mexicans and the Americans on this side of the river?

Mr. KLEIBER. Unquestionably so, sir.

The CHAIRMAN. Judge, the committee thank you, sir.

Mr. KLEIBER. I want to say, sir, pardon me, about that matter of extradition. Will you pardon me coming back to that.

The CHAIRMAN. Certainly.

Mr. KLEIBER. You asked me about it a while ago, I believe, and I did not like to break the line of testimony with regard to the wreck; but as Mr. Valls said yesterday, and as I started to state a moment ago, up to the time that Mr. Diaz went out of office we not only had no trouble in securing the extradition of fugitives from justice from this side, but we had the heartiest cooperation.

Senator SMITH. Regardless of nationality?

Mr. KLEIBER. Yes, sir. Pardon me, Senator, I made that statement a while ago. They never, Senator Smith, in any instance, provided we tracked the treaty or complied with the due form of law, ever refused to give us a man upon the grounds that he was a Mexican citizen, even though they could have done so—had demanded their "pound of flesh." Now, I had a case that peculiarly showed by contrast the difference between the—well, before I go on, since the fall of Diaz, as I stated to the committee briefly, a short while ago, I made several efforts, the first year or two after that, to secure the extradition of fugitives from justice, and my experiences were parallel to that of Johnny Valls. They not only refused, but they simply ignored us, paid no attention to it.

A glaring instance of that was in 1906. Judge Stanly Welsh, who was then judge of the twenty-eighth judicial district, was murdered in the room next to me in Rio Grande City, Tex., while we were attending court. We secured positive proof that the shot was fired by one Jose Sandoval, that he was accompanied to Judge Welsh's bedroom window by Alberto Cabrera, who had been ex-deputy sheriff there the year before that; he knew the judge well and knew where he slept; had been in the room many, many times. Cabrera's part in the commission of the murder was to take Sandoval to the window and point out the exact place, and he was armed at the time and walked to the door of my room and stood there evidently, and had I went there, come to that door, he would have shot me. We asked for his extradition. We located him, however, several months later in the City of Mexico. That was under Diaz. We asked for his extradition, and I went to the City of Mexico and spent several

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weeks there. Mr. D. E. Thompson, as you undoubtedly know, was ambassador there at the time and assisted me, as did Mr. Cooledge, the secretary. We had every reason to believe the extradition would be granted. We knew that Cabrera had friends and that he would fight his case through the courts. I had consulted with the governor of the district, Dr. Guillermo Escandon. The president and Gen. Felix Diaz, the president's nephew, who was commander of the police force in Mexico City, the chief of police, had suggested that we had better see the attorney general, Mr. Miramon. I went to see Mr. Miramon, and he stated to me that in the event Cabrera fought his extradition that he would see to it through his office that the Government of Mexico, through the department of justice, would fight the case through and help us, and he did so. Cabrera took his case to "amparo," as they call it, a habeas corpus, to the supreme court of Mexico. I think Mr. de la Barra was chief justice then. They refused to grant it and ordered him turned over to the American authorities, which was done, and he received a fair trial. The judge changed his venue of his own motion from Starr County to the interior of the State in order that he might get a fair and impartial trial in a community where the events were not known, where there was no facts known against him. He was tried at Cuero, De Witt County. He was found guilty of murder in the first degree and given a life sentence in the penitentiary. He appealed his case to the court of criminal appeals, the supreme court in criminal matters.

The court of criminal appeals in a very elaborate opinion decided every point in the case in accordance with the State's contention. He was sent to the penitentiary. He had only been there a few months when we were satisfied he was bought out by these same influential friends, who bribed the guard and he escaped, and we learned shortly afterwards that he went to the city of Monterrey and was given a place on the police force—no; we did not hear from him for a long time, that is right; we did not hear of him for a long time. Finally, about the time that Madero went in, or shortly after, we located him. That was the first case after the fall of Diaz where I made an effort and was refused an extradition. I tracked the treaty on that case, as I did before; not only sent certified copies of the judgment and the sentences of the different courts and the bill of indictment properly certified to by the district judge and the clerk of the court, and if I mistake not I went further and sent either the record or a resumé of the record. They had it, however, in the City of Mexico and no attention was paid to it. We learned that he continued on the police force, and the next we heard he was in the Carranza army. The next we heard he was down at Tampico. I had this from a gentleman of standing in Brownsville, whose word is beyond reproach—that he saw him in Tampico with Nafarrate several years ago.

The CHAIRMAN. Nafarrate was the Carranza general?

Mr. KLEIBER. Nafarrate is the same Emiliano Nafarrate that was commanding in Matamoros at the time of this train wreck and afterwards transferred to Tampico, where subsequently we heard that he was killed. Next he came to Matamoros, Cabrera did, and here in the past two weeks—I have it from a young man in Brownsville, likewise whose standing and word are beyond reproach and knew him

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well and had known him for many years—that he talked with him on the plaza in Matamoros, and that he was then a captain on the staff of Gen. Cesar Lopez de Lara, who is at present a candidate for the governorship of Tamaulipas. I quote this because it is a glaring instance by comparison of what the Diaz government did and what the Carranza government does not do—rather what the Diaz government did to enforce law and order and what the Carranza government does to encourage crime.

The CHAIRMAN. It is a very striking comparison.

Mr. KLEIBER. Yes, sir; a very good harbor and haven.

The CHAIRMAN. And promotion.

Mr. KLEIBER. And promotion; yes, sir; and continued recognition.

The CHAIRMAN. Judge, we are under obligations to you, sir, for your very clear and interesting statement.

TESTIMONY OF CAESAR KLEBERG.

(The witness was duly sworn by Dan M. Jackson, Esq., clerk of the subcommittee, duly authorized thereto.)

The CHAIRMAN. Are you a citizen of the United States, Mr. Kleberg?

Mr. KLEBERG. Yes, sir.

The CHAIRMAN. Of what State a native?

Mr. KLEBERG. Texas.

The CHAIRMAN. Where do you live?

Mr. KLEBERG. I live at Kingsville; I spend most of my time at Norias.

The CHAIRMAN. What is your business?

Mr. KLEBERG. Stockman.

The CHAIRMAN. Where are you in business as a stockman?

Mr. KLEBERG. At Norias, Tex.; at one of Mrs. King's lower ranches.

The CHAIRMAN. Where is that ranch with reference to the international border between the United States and Mexico?

Mr. KLEBERG. I judge it is about 65 or 70 miles north.

The CHAIRMAN. Of the border?

Mr. KLEBERG. Yes, sir. The ranch, however, runs within about 32 or 33 miles of the border—the lower end of it.

The CHAIRMAN. You are in charge of the Norias ranch, you say?

Mr. KLEBERG. Yes, sir.

The CHAIRMAN. What were you doing in the early part of 1911, and during that year?

Mr. KLEBERG. Well, in 1911 I spent most of my time in the upper ranch, which was known as the Santa Gertrudes ranch. I was not down in the lower ranch much.

The CHAIRMAN. Where is that ranch with reference to the international border?

Mr. KLEBERG. I judge it is about 100 miles; I guess about 100 miles north.

The CHAIRMAN. How close does it extend to the border?

Mr. KLEBERG. Well, about that distance, I judge.

The CHAIRMAN. What was the condition in 1911, from early in the year, during the year—through 1911—where were you in 1915?

Mr. KLEBERG. Well, I was spending a good deal of my time, as I stated, at the lower ranch; I was in charge all the time.

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The CHAIRMAN. On the Norias ranch?

Mr. KLEBERG. Yes, sir.

The CHAIRMAN. What were the conditions on the border on the American side in 1915 and 1916 with reference to law and order, or violent attacks and occurrences?

Mr. KLEBERG. Well, it was very unsettled—conditions grew worse from time to time, and we did not know what the trouble was; we never had any trouble there before to amount to anything, and it was about the time that Madero, I believe, was assassinated and Carranza and Villa were having their time that these conditions began; and we could not account for it. As Judge Kleiber told you here before, conditions were absolutely quiet; we had no trouble there outside of a few thefts, a little cattle stealing, and stealing cows; we never was bothered much about them getting together, Mexicans banding together there. They had been there all this time, and they nver did anything until they began pulling off these raids. Neither could the Mexicans that were working there; they could not understand it any more than we could until we got into the thing a little bit further; until they began pulling off these raids.

The CHAIRMAN. You were interested in investigating not only these occurrences themselves, but the causes which led up to them?

Mr. KLEBERG. Absolutely; I could not see what they were up to.

The CHAIRMAN. When did you first begin to get an insight into causes of the raids?

Mr. KLEBERG. Well, the first real insight that I got into it—of course they had been pulling off these other raids at these different places, but of course I was more interested in the raid that had taken place at my headquarters. It was from the statement that one of my old Mexicans made when he was captured, when he went and told the story that they had a roll call, and whenever the secretary would wind up, why, he would say this was done at the instance of the Carranza government, and then we commenced to put things together, and I think in his statement there was another part of it in which he stated that a great many of these Mexicans were from the other side and some from this side.

The CHAIRMAN. What was the name of this old Mexican you speak of?

Mr. KLEBERG. Manuel Rincones.

The CHAIRMAN. Was his statement reduced to writing?

Mr. KLEBERG. Yes, sir.

The CHAIRMAN. By whom, Mr. Kleberg?

Mr. KLEBERG. I believe the first statement he made was made to Capt. Anderson; I was not there at the time he made it, but you have a witness here who was in my employ at the time, Mr. Winn; I mean Deputy Sheriff Winn, from Brownsville; I think he was there at the time he made this statement.

The CHAIRMAN. Did you have this statement or a copy of it in your possession?

Mr. KLEBERG. Yes, sir; they gave it to me the next day.

The CHAIRMAN. And it was from the statement of this man that you first got an inkling of the true conditions?

Mr. KLEBERG. Yes, sir.

The CHAIRMAN. Will you examine this paper and see whether you can identify it? [Handing paper to witness for examination.]

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Senator SMITH. What became of him?

Mr. KLEBERG. I still have him there, and I would have brought him along but the old fellow is getting very old and feeble, and I want to keep him as long as I can. Yes, sir; this is it, Senator.

The CHAIRMAN. Mr. Secretary, will you please read this statement for the record?

(Thereupon the secretary read into the record the statement of Manuel Rincones, as identified by the witness, as follows:)

STATEMENT OF MANUEL RINCONES.

My name is Manuel Rincones. On the 7th instant while working on the King estate, eight or nine Mexicans approached me and asked me if I was in charge of Nopal. Upon replying in the affirmative they directed me to accompany them. They took me to a camp near by; there was 50 in the entire band, officers and soldiers. This was about 9 a. m. The following are the general movements of the band: At Nopal 9 a. m. to 2 p. m. Departed for Tenerias, which was reached about 5 p. m. Horses were collected at this point. About 7.30 p. m. proceeded in direction of Canecitos and traveled until midnight, when we reached Camitas, rear the San Francisco Ranch. Here we camped in the brush until daybreak of the 8th, when we changed camp about one-fourth mile and stayed until about 11 a. m. Leaving camp at Camitas, proceeded to Auritas and entered the Iturria pasture, where eight horses were secured. We proceeded thence to Norias. Here no reconnoissance was made, but an attack was ordered immediately. There was a fight lasting about two hours. The leaders were gallant, but the soldiers failed to respond and a withdrawal was ordered. The men scattered, but soon reassembled and the first sergeant called the roll. After assembling the band went into the brush and rested until daybreak of the 9th, thence the Divisadero Ranch, where a cowboy joined us. I am confident that the act was voluntary. Then to the Ranch Jesus Maria, which was reached at 11 a. m. Here one Teodoro de la Fuente guided us into a thicket of cactus and mesquite. He secured water and a cow. The brush was so dense it was necessary to roll the barrel of water in. Here we remained until 2 p. m. of the 10th instant, when we marched in the direction of the Rio Grande. I was liberated at midnight of the same date about three hours' walk on foot from San Jose Ranch. I do not know the locality. The band consisted of a chief, a major, a captain, and 25 soldiers from Mexico; the balance were picked up on this side of the Rio Grande. At Nopal the major took a paper from his pocket and directed the first sergeant to read it. It stated that the object of the expedition was to reclaim the land that had been taken by the United States from Mexico. It was ordered in the name of Carranza, and the officer stated it emanated from him. From conversation overhead I gathered that officers and soldiers from Mexico had been fighting during the revolution first on one side and then on the other. The chief was called Luis; the major, Miguel; the captain, Gabriel.

There was also a commander named Ricardo Gomez Pizana, from Rancho Viejo, which is south of the Arroyo Colorado, but near Paso Real. The attack on Norias was for the purpose of securing tools from the section house, with which to remove a rail and wreck a train. This was the scheme of Ricardo Gomez Pizana. In the fight at Norias five men were killed and two wounded. Of the killed one was badly wounded, and the captain, Miguel, finished him. Of the wounded one was Miguel, who was hit in the hands and ribs. The bullet which wounded him killed a soldier behind him. At the roll call after the fight at Norias there were missing in addition to the killed four men, who were carried thereafter as deserters. One other man later on dropped out as his horse went under, but beyond those mentioned the entire original band was intact when I left them. The object in heading for the Rio Grande was to secure reinforcements and a new supply of ammunition when the operations were to be continued. The man killed by the captain was named Ricardo, and he came from Sebastian. The officers were very gallant at Norias, but the men would not follow their leadership. As a result of conversation overheard one Aniceto Pizana was credited with having killed Pvt. McGuire, of Troop A. He was left south of the Arroyo Colorado, commissioned to gather more men; he lived on Tulitos Ranch, owned by his father. Evaristo Ramos, of Sebastian, is a member of the gang. When the others headed for Mexico I heard him say

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that he did not care to go. Other members Jose Benavides, from the Bonita Ranch, near Canitas, has recently been married; Juan Romero, who has recently been employed at Los Lipanes; Dario Mercado, who worked as a laborer at the Pie Ranch near Sebastian; Antonio Rocha, an old employee of the King Ranch; Juan Romero, whose horse played out; Teodoro de la Fuente, who furnished supplies and tobacco at the Jesus Maria Ranch, and who guided the band through the dense brush about the place. The man Ricardo Gomez Pizana was in the fight with Troop A and guided the band from the south to Nopal. Up to midnight of 9th and 10 instant there had been but four desertions; one man dropped out on account of his horse and five killed, otherwise the original band was absolutely complete. The Ricardo Gomez Pizana above mentioned was one of the deserters. I do not know where they crossed either the Arroyo Colorado or the Rio Grande.

I have the man whose statement is above set forth incommunicado and will probably secure further information.

A. V. P. ANDERSON,
Captain Twelfth Cavalry.

HARLINGEN, *August 12, 1915.*

To commanding general Southern Department, Fort Sam Houston, Tex.:

Forwarded to civil officers. Brought this man to Raymondville to-day, where I interviewed him. He has been a fence rider on the King Ranch at Sauz. The officer who brought him over to Raymondville states that he knows this man and that he is a very reliable man. He is about 75 years old and appeared to me to be speaking the truth. I did not know at the time that Capt. Anderson had forwarded a lengthy report and so took down one myself, which I am also forwarding to Edward Anderson, major, Twelfth Cavalry, commanding.

I, Manuel Rincones, hereby certify that the foregoing statement is a true copy of my statement to Capt. Anderson.

His
MANUEL × RINCONES.
mark.

Witness:
G. P. DURHAM, Jr.
CAESAR KLEBERG.

STATE OF TEXAS,
Willacy County, ss:

Sworn to and subscribed, before, me, Robert Maxwell, justice of the peace, by Manuel Rincones, who is personally known to me.

[SEAL.] ROBT. MAXWELL,
J. P., Ex Officio Notary Public, Precinct 4, Willacy County.

The CHAIRMAN. This old man was about 75 years old at that time.

Mr. KLEBERG. Yes, sir; he was about 78 or 79 years old. Judge Kleiber there is well acquainted with him, and he in fact made that same statement to him.

The CHAIRMAN. And up to the time that you received this statement, as I understand, you did not know who, if anyone, was behind these band of raiders?

Mr. KLEBERG. No, we were at an absolute loss to understand it. These statements that have been made by the gentlemen preceding me, and all these little runs, you never could see anybody, and it was not until we had this fight at Norias that the whole band was together that we know of.

The CHAIRMAN. Now, after receiving this information that is contained in this statement, and from your subsequent investigations, did you become convinced that there was a concerted effort behind these raids and these disturbances?

Mr. KLEBERG. Unquestionably so. There was no reason for us to think that way, because these Mexicans had been with us and they had never made a move of this kind. It was some outside influence.

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The CHAIRMAN. From all the evidence secured by you, whom did you learn was back of and supporting these murders, robberies, and disturbances upon this side of the river?

Mr. KLEBERG. Well, my information—the information that I got, that is, that came to me, was that Nafarrate was the man that was planning all this business.

The CHAIRMAN. Gen. Nafarrate?

Mr. KLEBER. Gen. Nafarrate.

The CHAIRMAN. To what faction in Mexico did Nafarrate owe adhesion?

Mr. KLEBERG. I understand the Carranza faction.

The CHAIRMAN. A general in the Carranza army?

Mr. KLEBERG. That is my understanding.

The CHAIRMAN. At one time in Monterrey?

Mr. KLEBERG. Of course, I do not know his movements, but I knew that at that time he was in Matamoros.

The CHAIRMAN. During the time these raids were going on?

Mr. KLEBERG. Yes, sir.

The CHAIRMAN. I think that is all, thank you.

Senator SMITH. You were born in Texas?

Mr. KLEBERG. Yes, sir.

Senator SMITH. Who was your father?

Mr. KLEBERG. Rudolph Kleberg.

Senator SMITH. The Kleberg that served in the Congress of the United States for many years?

Mr. KLEBERG. Yes, sir; he was there from 1896 to 1902, I think.

Senator SMITH. That is all. I just wanted to identify you.

TESTIMONY OF JOHN A. KLEIBER—Recalled.

(The witness was warned by the clerg of the subcommittee that he had been sworn and was still under oath.)

Mr. KLEIBER. I want to explain one of the matters about that extradition.

The CHAIRMAN. Very well.

Mr. KLEIBER. Yes, sir; I overlooked it. I made the statement that I had never asked for the return of any fugitive with the exception of one or two or several efforts we made several years ago. Some years ago there was a man by the name of Toribio Rodriguez, a Mexican citizen, on this side, that was murdered at a ranch called Encantada or Ranchito about 15 miles above Brownsville, and the testimony was that the murder was committed by a man named Pedro Paz and Antonio Rocha. Both of them are unquestionably members of these bandit forces, and the sheriff, Mr. Vann, suggested that we ask for their extradition. I told him I did not think we could do much good in the light of our past experiences, but we did so, and I signed the papers for him and asked that he be made extradition agent, the party to receive the man. They were arrested, I understand, and placed in jail at Matamoros three or four months ago, last fall, and he went to Matamoros to see them, he went to the bridge——

The CHAIRMAN. That is Sheriff Vann, as extradition agent?

Mr. KLEIBER. Yes, sir. And he was notified by the commanding officer at Matamoros that he would have to go up the river, that he

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would not deliver them at Matamoros. So he went up to the town of Hidalgo, opposite the Mexican town of Reynosa. They turned over Pedro Paz, but they did not deliver Antonio Rocha. They said they had killed him, that he had escaped—what they call the "ley fuga." Well, Rocha really was the king bee, the man that we wanted; they did not deliver him. Afterwards they gave us Paz, but did not give us Rocha. I wanted to correct that in my statement, that we had made no effort since the early part of the revolution. As to the testimony of this man Rincones, the Mexican awhile ago, I had forgotten of the particulars of it until I heard the statement read, and I now recall that he not only said that they had a military discipline, that they called the roll, but also that they read this plan under which they were operating, this plan to come over here and take back the lands that the Americans had robbed them of, that was really their ultimate object, and in that regard the statement bears me out in my statement that de la Rosa was the leader of the band and that Pizana had conducted or was just about to conduct the raid at Tulitos, where they had killed Corpl. McGuire. Furthermore, this Ricardo Gomez Pizana mentioned in that statement is a nephew of Aniceto Pizana. Ricardo Gomez Pizana is a notorious criminal. I convicted him in the district court of Nueces County. I tried him once at Brownsville before that, but he got away. We tried him again on another charge of theft of horses or mules, and he went to the penitentiary. He came back to Brownsville and got into trouble again and fled over the river, and if I mistake not, he is under indictment down there now for perjury. He was de la Rosa's lieutenant in the Norias raids. He was a nephew of Pizana, the leader of the bandits.

The CHAIRMAN. Thank you.

TESTIMONY OF TOM MAYFIELD.

(The witness was duly sworn by Dan M. Jackson, Esq., clerk of the subcommittee, duly authorized.)

The CHAIRMAN. Where do you live?

Mr. MAYFIELD. Pharr, Hidalgo County.

The CHAIRMAN. Are you a citizen of the United States?

Mr. MAYFIELD. Yes, sir.

The CHAIRMAN. Native born?

Mr. MAYFIELD. Yes, sir.

The CHAIRMAN. Of what State?

Mr. MAYFIELD. Texas.

The CHAIRMAN. What official position, if any, were you holding in 1915 and 1916?

Mr. MAYFIELD. I was actively with the sheriff's department, and I also held a special ranger commission.

The CHAIRMAN. What sheriff were you under?

Mr. MAYFIELD. A. Y. Baker, the sheriff of Hidalgo County.

The CHAIRMAN. What were the conditions existing in your district, or where you were familiar on the American side of the line during 1915, particularly as to violence or law and order and peace?

Mr. MAYFIELD. Well, it was a continuous raiding about most—that is, most every day in one of the two or three counties.

Senator SMITH. Raiding from where?

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Mr. MAYFIELD. From Mexico.

The CHAIRMAN. In your official position as a peace officer did you come in—did you gain any personal knowledge of these raids and were you present at any time during the raids, or did you come in conflict with the raiders at any time?

Mr. MAYFIELD. Yes, sir—that is, I was actually engaged in pursuing these raiders; in fact, I left my work for two or three months, and that was all that I did for two or three months' time, was to help ferret out these raids and catch them, if possible. I did not participate in any raid.

The CHAIRMAN. You mean participate in defeating any raid, but in the pursuit of the raiders?

Mr. MAYFIELD. Yes, sir.

The CHAIRMAN. Now, in pursuit of these raiders, where did they go, if you know?

Mr. MAYFIELD. Well, most all of them would go back to Mexico each time. Of course, most usually these raids, these raiding parties that would come over, they would pick up one or two scouts or guides for them, all Mexicans who lived on this side, to help them through the country and show them roads and different localities, different ranches, that way, that they were not familiar with; but the most of the parties consisted of Mexicans from the other side of the river, on the Mexican side.

The CHAIRMAN. Can you mention any of these raids specifically and with the approximate dates?

Mr. MAYFIELD. Well, the raid at Progreso, some time in October. I captured—me and my partner captured a Mexican that participated in that raid.

The CHAIRMAN. Was that in October, 1915?

Mr. MAYFIELD. 1915. Capt. McCoy, in charge of the Third Cavalry at the time, I turned the Mexican over to him, and he made a sworn statement before Capt. McCoy and told the way the raid was planned on the Mexican side by the two Carrancista garrisons coming together and making this raid on this store, and some property was taken back as well as some Government horses, and one soldier was captured and taken across the river and his ears were cut off as souvenirs for the officers, and his head was cut off, and they paraded back and forth with his head on a pole, as his statement shows.

The CHAIRMAN. Was this a Mexican soldier captured and his head cut off and his ears cut off?

Mr. MAYFIELD. No, sir; an American.

The CHAIRMAN. An American?

Mr. MAYFIELD. Yes, sir.

The CHAIRMAN. Do you know what command he was attached to?

Mr. MAYFIELD. I do not remember just now the name of the command.

The CHAIRMAN. Do you know his name?

Mr. MAYFIELD. Johnson, I understand, was his name.

The CHAIRMAN. He was captured on the American side of the river, was he?

Mr. MAYFIELD. Yes, sir.

The CHAIRMAN. And taken by his captors to the Mexican side of the river?

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Mr. MAYFIELD. Yes, sir.

The CHAIRMAN. To any town or settlement there?

Mr. MAYFIELD. He was taken to a station they called Las Peladas, that is a fort on the Mexican side.

The CHAIRMAN. Were there any Carrancistas there at that place?

Mr. MAYFIELD. Yes, sir.

The CHAIRMAN. Then what was done with him?

Mr. MAYFIELD. Well, his ears were cut off as souvenirs, and this Mexican statement was that each commanding officer of the two garrisons on the Mexican side kept an ear for a souvenir. I have his statement, if you would like to have it.

The CHAIRMAN. Yes, I would like very well to have his statement. You have it there as you wrote it down from notes at the time?

Mr. MAYFIELD. Capt. McCoy, I was only a witness with Capt. McCoy, under oath before a notary public. It is not in very good form.

The CHAIRMAN. You assisted, yourself, in the capture of Cuellar?

Mr. MAYFIELD. I captured him.

The CHAIRMAN (to Mr. Jackson). Read that Cuellar statement.

Mr. JACKSON (reading):

The STATE OF TEXAS, *County of Hidalgo:*

Before me, Lee Walsh, a notary public in and for Hidalgo County, Tex., now comes Cuadalupe Cuellar, who, after being duly sworn, on oath, states that he has resided on the American side of the Rio Grande River for about eight years.

Cuellar says that he was within sound of the firing of the fight between American soldiers and Mexicans at or near Progreso on Friday, September 24, 1915, in which three American soldiers were killed and one taken prisoner.

Cuellar says that Capt. Vargas, who has been in charge of the Carrancista soldiers at the fort known as Las Peladas but had been recalled and had been replaced by Carrancista troops from Matamoros.

Cuellar says that the Carrancista leader had given orders for every one on the Mexican side (some being without arms) to cross to the American side to assist in carrying off any loot which might be taken on the American side of the river.

Cuellar states that after the firing had almost ceased, some Carrancista soldiers came up on an American soldier in a clump of bushes; he surrendered and was taken prisoner to the other side of the river. On reaching there the Carrancista soldiers shot him four or five times, cut off his ears and then his head as souvenirs, and threw his remains into the river.

He states that the Carrancista soldiers crossed the river in three boats held there for that purpose.

He is unable to give the name of the captain in charge of the soldiers, but had heard it.

He was given this information by a Mexican named Francisco Gamez and also had information from a number of Carrancista soldiers, who came back after the fight, having their saddlebags and wallets filled with loot from the robbery of the store on the American side of the river.

He also states that the horses and arms taken back across the river were turned over to the Carrancista officer in charge of Las Peladas.

GUADALUPE (his x mark) CUELLAR.

Witnesses:
Capt. McCOY,
T. S. MAYFIELD.

Subscribed and sworn to before me this the 29th day of September, 1915.

[SEAL.] LEE WALSH,
Notary Public, Hidalgo County, Tex.

The CHAIRMAN. Mr. Mayfield, do you know whether the body of this soldier was ever discovered?

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Mr. MAYFIELD. It was afterwards recovered.

The CHAIRMAN. What was the condition, if you know?

Mr. MAYFIELD. Why, the head was cut off just as he stated.

The CHAIRMAN. Were there any bullet wounds in the body, do you recall?

Mr. MAYFIELD. I did not see the body. I only knew this information through Capt. McCoy and Maj. Anderson, who was in charge of the troops.

The CHAIRMAN. Now, in these raids, or following the raids, or in pursuit of the raiders, were there any arms or munitions taken by yourself or the other peace officers or soldiers?

Mr. MAYFIELD. Yes, sir; at times we—in different raids we would get maybe some ammunition and maybe one or two guns that would be—that they would run off and leave, or maybe one of the bandits was killed, or something that way.

The CHAIRMAN. Is there any form of deadly weapon, that you know of, used by any of these raiders, bombs or hand grenades, or instruments of death, of that character?

Mr. MAYFIELD. I never saw any of the bombs, but when De la Rosa was camped opposite where I had some cattle pastured we sent a number of different Mexicans into his camp to get information, and he had four Japs there making hand grenades out of green cowhides for him. We had quite a few witnesses who told us about those hand grenades.

The CHAIRMAN. They would place the explosives in the cowhide while it was green and then let the cowhide dry afterwards?

Mr. MAYFIELD. To dry afterwards; yes, sir; and they would put bolts or any piece of iron in this hand grenade with the explosive, and sew this green hide on with a green hide as sewing and as it dried it made a—I never saw one of those bombs but we had quite a few witnesses to tell us about the making of them.

The CHAIRMAN. Well, every Texan knows what a green cowhide will do when it gets dry?

Mr. MAYFIELD. Yes, sir; they would also make signals—these Japs were also making signals that was something like a turkey calling, for De la Rosa. These four Japs were employed all the time they were in camp there making these hand grenades, or these "pitos," they call them.

The CHAIRMAN. Could you identify any of the arms or instruments which were taken from the raiders during those raids, or which they had left behind?

Mr. MAYFIELD. Yes, sir; quite a few.

The CHAIRMAN. Did you ever see a flag in connection with those raids?

Mr. MAYFIELD. Yes, sir; I saw two or three different flags.

The CHAIRMAN. We have here before us some guns. Do you know anything about them?

Mr. MAYFIELD. Yes, sir. These guns were some that I captured at different times.

The CHAIRMAN. What are the guns, are they all of one kind, or are they of different kinds?

Mr. MAYFIELD. They are mostly the German Mauser, the different kinds—that is, the infantry and the carbine Mauser.

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The CHAIRMAN. I can not see them there. Will you give me one?

Mr. MAYFIELD (exhibiting gun to committee). This is——

The CHAIRMAN. There are none of them loaded, I presume?

Mr. MAYFIELD. No, sir. This is a German infantry Mauser.

Mr. JACKSON. Talk a little louder.

Mr. MAYFIELD. I say, this is a German infantry Mauser.

The CHAIRMAN. The one that you have in your hand?

Mr. MAYFIELD. Yes, sir.

The CHAIRMAN. What is the difference between that and the cavalry, simply a shorter barrel?

Mr. MAYFIELD. Yes, sir. [Exhibiting another gun to the committee.] This is the cavalry Mauser.

The CHAIRMAN. A shorter barrel gun?

Mr. MAYFIELD. Yes, sir.

The CHAIRMAN. Do they use the same ammunition?

Mr. MAYFIELD. These two do, yes, sir. There is the six, seven, and eight milimeter, this is the eight, and I have also some six milimeter.

The CHAIRMAN. You have also some six milimeter Mauser rifles?

Mr. MAYFIELD. Yes, sir.

The CHAIRMAN. Did you discover any ammunition for these different guns?

Mr. MAYFIELD. Yes, sir. I have some of the three different kinds.

The CHAIRMAN. What is this box that I hand you?

Mr. MAYFIELD. That is some eight milimeter ammunition, German ammunition, which was being smuggled over to the Mexicans that was captured.

The CHAIRMAN. How much of it did you capture of this particular kind?

Mr. MAYFIELD. I personally did not capture that, but the officers in that vicinity did capture it.

The CHAIRMAN. It came into your possession from the officers there?

Mr. MAYFIELD. Yes, sir. There is three or four or five thousand rounds in that.

The CHAIRMAN. I can not, unfortunately, read German, but I am familiar enough with the language to see that it would be German that I notice printed upon the box. Probably my colleague can. I also notice on the side of the box the legend, "Made in Germany."

Senator SMITH. That is German.

The CHAIRMAN. This box has printed German upon the outside and also the German description of the ammunition printed in German on the inside of the lid of the box?

Mr. MAYFIELD. Well, each cartridge is stamped eight millimeter. It is stamped on each.

The CHAIRMAN. You found ammunition also for the six and the other millimeter guns?

Mr. MAYFIELD. Well, I have it in these bandoleers here. [Indicating bandoleers lying on table.] This was taken in the Ojo de Agua raid.

The CHAIRMAN. That is the belt with the clips containing the cartridges in it?

Mr. MAYFIELD. Yes, sir.

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The CHAIRMAN. How was it taken; was it found lying on the ground?

Mr. MAYFIELD. On one of the dead bandits.

The CHAIRMAN. Taken from his body?

Mr. MAYFIELD. Yes, sir.

The CHAIRMAN. I notice this is a web belt?

Mr. MAYFIELD. Yes, sir; a hand-made web belt. He also had a German iron cross on that belt.

The CHAIRMAN. Do you know what became of the cross?

Mr. MAYFIELD. Yes, sir; I have it. [Producing cross.]

The CHAIRMAN. This article which you hand to the committee is a German iron cross taken from the body of this bandit?

Mr. MAYFIELD. It was taken from the body of this bandit, and I understand it is a German iron cross. It has a German soldier on it and an Austrian soldier on it.

The CHAIRMAN. We have here a leather belt. Do you know where that came from? It has ammunition in it.

Mr. MAYFIELD. Yes, sir; that was taken from the Mexican killed at the McAllen ranch the day they attacked Mr. McAllen.

The CHAIRMAN. What is the character of the ammunition in this leather belt?

Mr. MAYFIELD. Why, it is seven millimeter.

The CHAIRMAN. Seven millimeter ammunition?

Mr. MAYFIELD. Yes, sir.

The CHAIRMAN. German ammunition?

Mr. MAYFIELD. Yes, sir.

The CHAIRMAN. I have here a pistol of some kind; what is that, do you know?

Mr. MAYFIELD. I understand it is a German automatic; I do not know; it has some inscription on it.

The CHAIRMAN. Do you know where that came from?

Mr. MAYFIELD. Yes, sir. I arrested the Mexican who had that gun on.

The CHAIRMAN. Where did you arrest him?

Mr. MAYFIELD. Hidalgo County, Pharr.

The CHAIRMAN. In what language is the inscription, if you can tell?

Mr. MAYFIELD. Why, I do not know; I think German.

Senator SMITH. I can not read it, it is too dim for my glasses. Anyhow, it is not American.

Mr. MAYFIELD. No, sir.

The CHAIRMAN. It is a Belgian-made gun. What are these clubs that are lying on the desk?

Mr. MAYFIELD. They are a homemade billy, that in searching for some ammunition I got six of those out of one Mexican's house. It just shows the crude form of fighting.

The CHAIRMAN. Something in the nature of a policeman's club?

Mr. MAYFIELD. Yes, sir.

The CHAIRMAN. The Mexican was not a policeman, was he?

Mr. MAYFIELD. No, sir.

The CHAIRMAN. Where did this saber come from?

Mr. MAYFIELD. I had information that there was a Mexican officer staying in my town, and my partner and I searched the place about

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daylight one morning to see if it was so—that he was staying there—and I got this saber and a belt—a web belt that holds 100 rounds of ammunition—and the commission out of this place. He was a lieutenant colonel, but I did not find him.

The CHAIRMAN. By whom was the commission signed, if you know?

Mr. MAYFIELD. Carrancista; that is, it was issued by the Carrancista government.

The CHAIRMAN. The man for whom you were searching got away, but you found the belt and the saber there and the commission, also?

Mr. MAYFIELD. Yes, sir; it is stamped a Mexican saber.

The CHAIRMAN. Where did this machete come from?

Mr. MAYFIELD. That was a saddle machete that was lost by 10 of those raiders that crossed over at Granjeno ranch sometime in October. They used these machetes to cut the wire fences with. In this raid they cut 47 fences on their trip from the river out through the ranches and back, and we were trailing them, and this was lost on the trail.

The CHAIRMAN. What is this old pistol—what is this old pistol that I hand you; do you know where it came from?

Mr. MAYFIELD. I do not really know just where that came from. That has been with——

The CHAIRMAN. This instrument that I hand you here, do you know what that is?

Mr. MAYFIELD. Yes, sir. That is what is known as a brass knuck.

The CHAIRMAN. Where did that come from; do you know?

Mr. MAYFIELD. I arrested a Mexican with that at Mercedes; he had it in his pocket.

The CHAIRMAN. Was that during the time of these raids and disturbances?

Mr. MAYFIELD. Yes, sir.

The CHAIRMAN. How did you happen to arrest him?

Mr. MAYFIELD. Well, we had some information as to some gambling that was going on, and some disorder.

(Capt. Hanson exhibited a flag to the witness.)

Mr. MAYFIELD. I know that; I saw another flag with the same inscription on it as that.

The CHAIRMAN. With reference to these bombs that you testified the Japs were making, from your information where were the Japs making these bombs?

Mr. MAYFIELD. It was a place they called Garania, it was about 3 miles east of Reynosa, Mexico.

The CHAIRMAN. Were there Carrancista soldiers there at the time at that place?

Mr. MAYFIELD. Well; I do not know. It was de la Rosa's camp. De la Rosa was staying in the garrison at Reynosa. He would go to Reynosa each night to stay, but he had this particular camp out there.

The CHAIRMAN. In his own command?

Mr. MAYFIELD. Yes, sir.

The CHAIRMAN. And the Japs were in his own command?

Mr. MAYFIELD. Yes, sir.

The CHAIRMAN. You say de la Rosa would go to the Carranza camps. Do you know whether he ever spent the night there?

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Mr. MAYFIELD. He spent the night at the garrison, at the Carranza garrison, that was the information that we had from a number of witnesses, the Carranza garrison at Reynosa.

The CHAIRMAN. Do you know anything about the Ojo de Agua raid?

Mr. MAYFIELD. Well, nothing more than I knew of it, I did not go there. I was detained on some other business.

The CHAIRMAN. From your information gathered in pursuit of and in attempts to apprehend the raiders, you ascertained as I understand you that they rendezvoused upon the Mexican side of the river generally and came across to this side and committed their depredations.

Mr. MAYFIELD. Yes, sir.

The CAIRMAN. What, if any, attempt was made, to your knowledge, by any of the Carrancista soldiers or officers to apprehend these raiders and to assist in preventing the raids?

Mr. MAYFIELD. None whatever. We repeatedly asked for some few of the people that we knew. I had one occasion at one time, this Antonio Rocha, who was indicted in three cases of murder, and we had asked for Antonio Rocha several times, and one time Capt. McCoy phoned me and asked me to go to Brownsville and meet the Mexican officials with Gen. Parker and see if we could get Antonio Rocha over. I went there and they questioned me as to whether we had Rocha indicted or not and I assured them that we could get three warrants for him, and the Mexican officials answered by saying that if I would bring the testimony and evidence at Matamoros that they would give Rocha a fair and impartial trial in Matamoros but they would not deliver him to us on this side to be tried.

The CHAIRMAN. Did you make any further attempt to secure his delivery?

Mr. MAYFIELD. No, sir; I did not because I knew that there were other officers who had asked for different people that way, and we found that it was almost impossible or we never got any results.

The CHAIRMAN. From the information which you have obtained in your official business in pursuance of your duties with reference to these raids, what did you learn, if anything, as to who on the other side, if any one, was assisting the raiders?

Mr. MAYFIELD. Well, Gen. Nafarrate was in charge of the garrison at Matamoros, and all the information we had, why, the different raids were planned by him and De la Rosa to this side.

The CHAIRMAN. How long have you been in this city now, Mr. Mayfield, in this city, San Antonio, I mean, on this occasion?

Mr. MAYFIELD. I came here Tuesday morning.

The CHAIRMAN. You have remained here ever since, have you?

Mr. MAYFIELD. Yes, sir.

The CHAIRMAN. Are you still an officer?

Mr. MAYFIELD. Yes, sir.

The CHAIRMAN. What position now?

Mr. MAYFIELD. Deputy sheriff of Hidalgo County.

The CHAIRMAN. Do you know Mr. Forres, one of the witnesses who testified a few days ago—Henry Forres?

Mr. MAYFIELD. Yes, sir; I have just met him a few days ago.

The CHAIRMAN. Do you know the Mexican consul? Have you ever been to his office?

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Mr. MAYFIELD. Well, I have never been to his office until yesterday, and I went with Mr. Forres to the Mexican consul's office.

The CHAIRMAN. Did you accompany Mr. Forres to the Mexican consul's office yesterday?

Mr. MAYFIELD. Yes, sir.

The CHAIRMAN. Do you speak Spanish?

Mr. MAYFIELD. Yes, sir.

The CHAIRMAN. You understood what was said there with reference to Mr. Forres's request for the visé of his passport?

Mr. MAYFIELD. Yes, sir.

The CHAIRMAN. What was the answer which he received?

Mr. MAYFIELD. Well, they refused to visé the passport, and I asked them in Spanish why, what reason they gave, and he only shrugged his shoulders and said, "Son las ordenes," those were the orders, and this clerk went back in the consul's office and I spoke to the clerk in the reception room and asked him if he could give me some reason, and he said no, he had no reason, that they would not issue the passport.

The CHAIRMAN. You knew that Mr. Forres had previous to this time given testimony before this committee?

Mr. MAYFIELD. Yes, sir.

The CHAIRMAN. Is there any other statement that you can think of that you care to make, without being interrogated?

Mr. MAYFIELD. Unless it is in regard to the plan of San Diego. I arrested this man who had this original plan of San Diego on him.

The CHAIRMAN. Who was he?

Mr. MAYFIELD. Basilio Ramos.

The CHAIRMAN. Basilio Ramos; his name is mentioned in the plan of San Diego, is it not?

Mr. MAYFIELD. Yes, sir; he is one of the signers.

The CHAIRMAN. Where did you arrest him?

Mr. MAYFIELD. McAllen, Hidalgo County.

The CHAIRMAN. Do you know where he is now?

Mr. MAYFIELD. No, sir.

The CHAIRMAN. You got a copy of the original plan of San Diego from the person of Ramos when you arrested him?

Mr. MAYFIELD. When I arrested him I took the original copy off of him; yes, sir; and his code and pass through the Carrancista lines.

The CHAIRMAN. He had a pass through the Carrancista lines?

Mr. MAYFIELD. Yes, sir.

The CHAIRMAN. Who were they signed by?

Mr. MAYFIELD. Nafarrate.

The CHAIRMAN. Gen. Emiliano Nafarrate?

Mr. MAYFIELD. Yes, sir.

The CHAIRMAN. Were you present here when the copy of the plan of San Diego was read by the secretary?

Mr. MAYFIELD. Yes, sir.

The CHAIRMAN. Was that identical with the original plan which you took from Ramos?

Mr. MAYFIELD. As far as I remember; yes, sir.

The CHAIRMAN. You say you do not know where Ramos is. Do you know what became of him; was he placed under bond or in custody?

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Mr. MAYFIELD. He was placed under bond, and his bond was forfeited, and the information I had was that he returned to Mexico through Laredo.

The CHAIRMAN. You don't know where he is now?

Mr. MAYFIELD. No, sir.

The CHAIRMAN. Thank you, sir, Mr. Mayfield.

(Thereupon, at 12.35 o'clock p. m., the committee recessed until 2.30 o'clock p. m. of the same day.)

AFTER RECESS.

TESTIMONY OF W. E. VANN.

(The witness was duly sworn by Dan M. Jackson, Esq., clerk of the subcommittee, duly authorized thereto.)

The CHAIRMAN. Are you a citizen of this country?

Mr. VANN. Yes, sir.

The CHAIRMAN. Native of what State?

Mr. VANN. Texas.

The CHAIRMAN. What is your official position?

Mr. VANN. Sheriff of Cameron County at present.

The CHAIRMAN. How long have you occupied that position?

Mr. VANN. In Cameron County six years—near about six.

The CHAIRMAN. Is Cameron County on or near the international boundary?

Mr. VANN. Yes, sir.

The CHAIRMAN. Between this country and Mexico?

Mr. VANN. Yes, sir; on the border.

The CHAIRMAN. What have been the conditions in your county, Mr. Sheriff, as to law and order or violence, during your term of office or any part of it?

Mr. VANN. Well, at first everything was very quiet over there a few months in 1914—I was elected in 1914, and along in 1915 it got pretty rough—1915 and 1916; but since that time it has been a little more quiet.

The CHAIRMAN. To what were the disturbed conditions due in 1915 and 1916?

Mr. VANN. Due to the bandit troubles we had down there—what we always called the bandit troubles.

The CHAIRMAN. Where were these bandits from, if you know, generally?

Mr. VANN. Well, the most of them were from Mexico. There were some Mexicans, however, on our side of the river that joined in with them.

The CHAIRMAN. Among whom—can you mention the names of the more prominent from this side of the river?

Mr. VANN. Well, there was Luis de la Rosa and Aniceto Pizana, and Pedro Paz and Antonio Rocha—Joe Benavidez was a pretty good, real noted Mexican, and a pretty good man—that were on this side, and quite a few.

The CHAIRMAN. Did you ever have any communication concerning these raids with the Mexican general in command on the other side of the river?

Mr. VANN. Yes, sir.

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The CHAIRMAN. What was his name?

Mr. VANN. Nafarrate—Gen. Nafarrate.

The CHAIRMAN. You personally had communication with him as sheriff?

Mr. VANN. Yes, sir; I went across the river and talked with him on three different occasions, I believe—two or three times I talked to Gen. Nafarrate up in his office.

The CHAIRMAN. Along what line was the conversation?

Mr. VANN. On the line of the bandits. We had come to the conclusion that Nafarrate was backing up the bandits, and the Carranza Government—rather, the soldiers over there, the army, was kind of backing up the bandit troubles, and I went over to see Nafarrate about it. He always denied it very strongly to me, and promised very faithfully every time I ever saw him that he would do everything he could to assist us.

The CHAIRMAN. Did he do it?

Mr. VANN. He did not.

The CHAIRMAN. Did you have any evidence to justify you in the belief that the other Carrancistas were lending aid and assistance or comfort to the bandits?

Mr. VANN. Yes. There were two bandits killed on this side of the river that had on Carranza soldier uniforms, and I mentioned that to Gen. Nafarrate—or Col. Nafarrate, what we called him—and his excuse was for that that sometimes they were a little more or less negligent, and that possibly those boys could get a uniform, and it would be unbeknownst to them, they wouldn't know it, and that was about the excuse they gave me for that.

The CHAIRMAN. His attempt was to make you believe that somebody else had secured their uniforms?

Mr. VANN. Yes, sir.

The CHAIRMAN. And were wearing them?

Mr. VANN. Yes, sir. But it was so plain, we knew, of course—we were right there, Nafarrate on one side of the river and us on the other, and soldiers—and all we could hear about from people that came across—we captured quite a few, and they told us about it, that the military authorities were in with them—one Mexican in particular said that, young Flores, after we captured him, he said that De la Rosa and Pizana both were in the Carrancista army and were pretty high officers in the army—and they were the leaders of these bandit forces.

The CHAIRMAN. That was Cheno Flores?

Mr. VANN. Yes, sir.

The CHAIRMAN. He is here——

Mr. VANN. Yes, sir.

The CHAIRMAN. In attendance upon this hearing?

Mr. VANN. Yes, sir. And he gave us the names of quite a few. The only one we connected Cheno Flores with, the main one, was the train wreck—we caught Cheno two days after the train wreck, and he told us all about it, he wanted——

The CHAIRMAN. He admitted his part in the wreck?

Mr. VANN. He was with them, and they were right across from the Las Rucias ranch on the other side and had been there for a

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couple of days to plan this raid, and were led by Luis de la Rosa and Pizana.

The CHAIRMAN. Did he say where they came from?

Mr. VANN. No; he said that he hadn't been over there but a few days, Senator, and that they were there then—in that part of the neighborhood when he went over—it seems that he and Guajardo and three or four Mexicans on this saide went over—I don't know, they didn't volunteer——

The CHAIRMAN. Who?

Mr. VANN. Guajardo.

The CHAIRMAN. His story was that he had been compelled to go over?

Mr. VANN. Yes, sir.

The CHAIRMAN. He had been captured and compelled to go over?

Mr. VANN. No, I don't think that he had been captured and compelled—Pedro Paz said that before a notary, he didn't say he was compelled to go there—I don't remember just how his statement came in, but he wasn't there but a couple of days, and I think he said they were to come there, and had their headquarters there when he went with them, Senator; and after we went back we found some facts, where the rail had been pulled up by a big wire, and they had some of those hand grenades that were made out of inch and a half pipe with a tap screwed on them, with wire—picked up some of them at the ranch.

The CHAIRMAN. What were they loaded with, do you know?

Mr. VANN. Yes; I unloaded one, it had little iron bullets and one thing and another, you may say.

The CHAIRMAN. Dynamite or powder?

Mr. VANN. Yes, sir; it was powder. And then they had some spades, they had a couple of spades I think on this occasion, and they had crowbars and had big wrenches to take the taps off of these plates that goes on these railroad tracks—fishplates; and they were pretty well equipped, with two or three—these kinds of things left at the wreck, that we got the next morning. But we got him the next morning, and he said, "Now, captain, I want to tell you the truth, I want you to know that I am telling you the truth about it. We did not go back toward the river that morning"—or "that night, but went across the Paso Real and came back 5 or 6 miles and went back across to Sebastian and back in the lower part of the county;" he said, "we crossed the Paso Real," which was 25 miles from the train wreck—"just right about daylight the next morning," he said, "we have a regular path-crossing place we cross, we have a boat there that is sunk there,"—the water I suppose is 15 or 20 feet deep—"and we would get in that boat and go across, sometimes it takes two or three loads." And I asked him how many were in the bunch, he said about 60, he didn't know them all, but he named de la Rosa and Pizana, Benavidez, and several of those boys. And we asked where this boat was, and he showed us where it was and we pulled it up with wire; we poured the water out of the boat, and went across to Paso Real. And he said, "I left my gun with six shells cartridges here," across Paso Real, and he showed us those and we got those—a 30-30 Winchester and six shells; and then of course I knew he had been with them, because he showed us the road, and we knew he had been telling the truth about it.

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The CHAIRMAN. Were there any Carranza soldiers in that vicinity?

Mr. VANN. No, sir; not upon that Paso Real.

The CHAIRMAN. How far from there?

Mr. VANN. There were Carranza soldiers up the river; lots of them at Matamoros.

The CHAIRMAN. How far were the Carranza soldiers from Paso Real where they crossed the river?

Mr. VANN. Possibly 30 miles.

The CHAIRMAN. At that time?

Mr. VANN. Yes, sir.

The CHAIRMAN. Did you have any experience in attempting to secure the return to this country of any fugitives from justice whom you desired to bring over?

Mr. VANN. Yes, sir; I think I made requisition for extradition for 10, possibly 11, on the other side.

The CHAIRMAN. What has been your experience?

Mr. VANN. Well, I was ignored in every case except the last requisition I ever made, last year, in 1919, I made requisition for Pedro Paz and Antonio Rocha, and they were attempted to be delivered to me, and one of them was delivered, but the other was killed before he was delivered to me. But others prior to that, they ignored every requisition I ever sent in.

The CHAIRMAN. What was your experience with reference to that requisition which was granted?

Mr. VANN. Well, I think on Tuesday—they notified me Tuesday morning or Monday afternoon late—that the governor of the State of Tamaulipas had ordered the two prisoners turned over to me.

The CHAIRMAN. That was Gov. Osuna?

Mr. VANN. That was Gov. Osuna over at Victoria, Mexico. And they were to deliver these two parties to me Tuesday morning at the international bridge if I would come up, and Mr. Fred Winn and I went up to the bridge, but they didn't show up, and I think they came over sometime that day and told us they couldn't get by with them, but would come up the next morning at daylight, so we went back again the second morning by daylight and they sent a letter down to me, written in Spanish—Mr. Winn read it to me—in which they said that the city marshal of Matamoros was sick and could not make the trip that morning, and so they wanted to put it off until the next morning. We said all right, we would put it off until Thursday morning.

Thursday they didn't show up and didn't send us any message at all, so I went over in the afternoon to see them about it, and Thursday, during the day, I wired the governor at Victoria, Mexico, myself that they had promised me on two or three different occasions to bring them over and wouldn't do it—I was getting a little leary about it; and so he wired me back and told me to go over and see the colonel and demand them at Matamoros, and so I did. I got his wire, went over and saw the colonel, and he turned this message over to the—to another—what do they call them? The deputy district judge, I think; I think the district judge is at Laredo, and this fellow that was acting down there, was at that time district judge, so he tried to explain to me, the judge said I was entitled to them and should have them. Col. Bermillo said he didn't think I

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ought to take them out in the afternoon, and the judge says: "Well, I am going to turn them over to him right here, you can take them at any time you want to." Well, I said: "Well, I am ready to take them." Mr. Winn and I were together, and I said: "I am ready to take them." But the colonel sent out about 15 or 20 soldiers and told us not to take them; so we didn't take them. And the next morning I was at old Hidalgo, about 60 or 70 miles from Brownsville, and all on the train from there crossed over the river and went over to Reynosa, I suppose a half a mile from the river—we had a light, a little light, and went back down the river possibly a half a mile; we heard the train whistle and the smoke puffing, and directly—I was standing by the customs office down at the river, and it wasn't but a few minutes until I saw them coming down the hill, and I suppose there were 20 soldiers with those two parties; the district judge came up with them and some other party of his—one or two parties—and they got in a bus over there, or carriage, and came right down to the office, and was standing there, so there were about 20 Mexican soldiers that were sort of behind these boys and gathered behind them on each side of the road and around them, and had those two boys in front, just walking them down.

The CHAIRMAN. Now, what was the character of the country there?

Mr. VANN. Oh, it was open; you could see them a quarter of a mile; there wasn't a stick of timber around there——

The CHAIRMAN. Did it have a fence?

Mr. VANN. Yes; a fence ran up to the left and the river to the right, where they were going to cross, the river made a sort of bend as it came down—and they had these boys, and had a rope tied around their arms, and jerked down like that [illustrating] the rope tied behind them, their hands tied behind them; and it looked like as they got within about 100 yards of the ferry which was there—and there was other Mexicans, three or four Mexicans and myself, three or four standing around there, and this man Rocha attempted to run, kind of sort dodged; it looked to me like he jumped to the right, came toward me; it looked to me like he jumped to the right 5 or 10 feet, and these soldiers shot him.

The CHAIRMAN. Shot him, you say?

Mr. VANN. Yes, sir.

The CHAIRMAN. Killed him?

Mr. VANN. Killed him. I couldn't hear anything, of course; I saw the gun smoke and heard the sound of the gun, but I couldn't hear anything that was said at all; I was too far away.

The CHAIRMAN. Was Rocha an American citizen, or a Mexican citizen?

Mr. VANN. He was an American citizen, and I think also Paz—I am not sure, but I think Paz was.

The CHAIRMAN. Which of the two men, if either, were you more anxious to extradite, to get across?

Mr. VANN. Rocha; we knew he was the bandit leader, and we had information from Mexico on several different occasions from which we knew he was the leader of this bandit gang; and at the time we didn't know that Paz was with the bandits at all—except we knew that Mr. Tavlor and Mr. Scribner sent him out from San Sebastian

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to get a couple of horses, and he stole the horses and sent them across the river, or carried them across the river, and he afterwards acknowledged to me, while in jail—he is still in jail—he admitted that Rocha and Aniceto Pizana made him go with them on this raid.

The CHAIRMAN. Rocha was the man you wanted?

Mr. VANN. Rocha was the man I wanted. We knew on several occasions he had been on this side in these raids?

The CHAIRMAN. What was the charge upon which his extradition was demanded—his extradition at that time?

Mr. VANN. I demanded at that time his extradition on account of a charge of murder across the river on the 17th of January.

The CHAIRMAN. What year?

Mr. VANN. 1919. He and Pedro Paz came across the river and killed Toribio Rodriguez. I never did understand the thing or exactly know what they did kill him for, but they went up the river and killed him, and when we were notified in the afternoon, they went across the river, and we notified Col. Bermillo.

The CHAIRMAN. Now, in securing or seeking the extradition of these men, were you compelled to submit to the Mexican authorities evidence in the case?

Mr. VANN. Yes, sir; I submitted—we had really an inquest proceeding—we submitted this testimony to them, and they demanded later, a few days, the witnesses in person, and so I went up the river and summoned them, the witnesses in person, to go across the river and testify in the case, which they did, and on the—possibly 30 days later they had them back over there the second time and had them testify the second time, testify twice, the witnesses in the case, and they brought out these prisoners, more than they had the first time; they brought out a bunch of prisoners, possibly 30 or 40 in the bunch, and Antonio Rocha denied that he crossed the river, and they took—had all these prisoners out, and they identified them, these two men.

The CHAIRMAN. Now, in submitting the evidence on which you asked the extradition—in submitting this evidence to the Mexican authorities—was there any evidence showing Rocha's connection with the bandits that had committed these depredations?

Mr. VANN. I called their attention to the fact; he acknowledged the fact that I had three or four indictments against him for murder in connection with bandit troubles, in addition to this time that I demanded in the requisition.

The CHAIRMAN. Well, now, when he was shot, you say there were 20 armed men around him?

Mr. VANN. Yes, sir; I think there were 21; to be accurate, Senator, I think there was 21.

The CHAIRMAN. And he was coming down, within about 100 yards of you and facing you?

Mr. VANN. Yes, sir.

The CHAIRMAN. With those men behind him, and his arms were tied?

Mr. VANN. Yes, sir.

The CHAIRMAN. If a man had tried to escape, would he have attempted to get off of the road or out of the road on the side this man was at the time he got off, or on the other side?

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Mr. VANN. He would have jumped on the other side; he could have run 30 steps and jumped off the bank into the river and possibly had some chance to get away in the water; but he couldn't possibly get away on the other side; it was a wire fence.

The CHAIRMAN. A wire fence?

Mr. VANN. Yes, sir.

The CHAIRMAN. How far would he have to run to run into that wire fence?

Mr. VANN. About 30 steps.

The CHAIRMAN. And his hands and arms were tied with a rope?

Mr. VANN. Yes, sir. The prisoners were not tied together.

The CHAIRMAN. The prisoners were not tied together?

Mr. VANN. No, sir.

The CHAIRMAN. Each was tied, with his arms tied to the rope?

Mr. VANN. On Saturday morning while I was in Matamoros talking to Col. Bermillo and the district judge about this business. I had my handcuffs in my pocket and offered them my handcuffs—I didn't know whether they had any or not—and told them to cuff them together, that then they couldn't possibly give any trouble, and they refused to take them; they said they had always tied them: and they tied them with that little rope.

The CHAIRMAN. But each tied separately?

Mr. VANN. Yes, sir; each was tied separately. And when the gun was fired the judge and I walked up to where they were—I hadn't seen Rocha for quite a little while—I walked up; they turned him over on his back and put his hat over his face, but I pulled his hat off, and the judge says, "Is that Rocha?" I says, "Yes, sir; that is him." And then I took my knife myself and cut his arms loose and pulled his hat off his face; and he kind of shrugged his shoulders after I told him I knew him, that I knew it was Rocha; so I walked on down with him, with the bunch of soldiers with Paz, and they delivered him to me at the river, I receipted for him—in fact, Senator, the judge came on down, and he wrote the receipt himself in Spanish for me to sign for both of them—he walked out of this little office, and we saw them coming down the road and when they shot Rocha, why, he tore this receipt up and wrote it for one man then—this other man had been killed.

The CHAIRMAN. It is not worth while, Mr. Sheriff, to detain you, to ask that you go into the details of the raids, and your experiences there as a peace officer, as we have had various other witnesses on the stand. We thank you very much for your statement. That is all.

TESTIMONY OF CAPT. EVERETTE ANGLIN.

(The witness was duly sworn by Dan M. Jackson, Esq., clerk of the subcommittee, duly authorized.)

The CHAIRMAN. Where do you live, Captain?

Capt. ANGLIN. McAllen.

The CHAIRMAN. Are you a native of this country?

Capt. ANGLIN. Yes, sir.

The CHAIRMAN. What State?

Capt. ANGLIN. Texas.

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The CHAIRMAN. What official position, if any, do you hold?

Capt. ANGLIN. At present I am city marshal of McAllen.

The CHAIRMAN. Did you hold any official position in 1915 and 1916?

Capt. ANGLIN. Yes, sir.

The CHAIRMAN. What?

Capt. ANGLIN. I was mounted inspector of customs, also deputy United States marshal.

The CHAIRMAN. Did you have any experience during those years in the border troubles on this side of the river?

Capt. ANGLIN. Some; yes, sir.

The CHAIRMAN. How long have you lived on the border?

Capt. ANGLIN. About 16 years.

The CHAIRMAN. During the period of 1915 and 1916 did you know Basilio Ramos?

Capt. ANGLIN. Yes, sir.

The CHAIRMAN. Did you know or learn of the plan of San Diego?

Capt. ANGLIN. Yes, sir.

The CHAIRMAN. Do you know anything of the connection of Ramos with that plan and the uprisings following it—bandit raids?

Capt. ANGLIN. Well, there was a Mexican staying in the hotel at McAllen by the name of Dr. Andres Villareal; he came to me one night and told me that Basilio Ramos had been to see him in his room and had laid this plan of San Diego before him, told him he had been sent there to confer with him, and wanted him to join him. He told me about what was in the plan, and I made arrangements with him to meet Ramos the next morning at 9 o'clock and to carry him to Teodoro Guerra's store in McAllen; I was to meet him there.

The CHAIRMAN. Did you meet them?

Capt. ANGLIN. I did not. He failed to get there until about an hour late; I had gone when he came, and Mr. Mayfield was there and arrested him.

The CHAIRMAN. Arrested Ramos?

Capt. ANGLIN. Yes, sir.

The CHAIRMAN. That was Tom Mayfield?

Capt. ANGLIN. Yes, sir.

The CHAIRMAN. The witness who has just testified?

Capt. ANGLIN. Yes, sir. We got his grips and searched them and found the plan of San Diego in them.

The CHAIRMAN. Did you find any other papers of any importance?

Capt. ANGLIN. Well, I didn't examine the papers; they were turned over to the deputy U. S. marshal, and Ramos was taken to Edinburg and put in jail.

The CHAIRMAN. Do you know anything about a raid at Ojo de Agua in 1915?

Capt. ANGLIN. Yes, sir. We arrived about daylight. The raid took place about 3 o'clock in the morning.

The CHAIRMAN. You arrived a short time after the raid?

Capt. ANGLIN. Yes, sir.

The CHAIRMAN. What were the circumstances of that raid? How many people—bandits—were in the raid, if you know?

Capt. ANGLIN. When we got there there were three dead bandits laying out in the road in front of the house, where a detachment of

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Cavalry was stationed—12 soldiers stationed there. I think there were three dead soldiers—American soldiers.

The CHAIRMAN. Three dead American soldiers?

Capt. ANGLIN. Yes, sir; and four wounded soldiers laying in the house and under the house. There were 10 dead cavalry horses and some mules; I forget how many.

The CHAIRMAN. Did you learn the approximate number of the attacking forces?

Capt. ANGLIN. Estimated to be about 65, and we followed them to the river, we trailed them to the river and they crossed, and we could see them on the other side.

The CHAIRMAN. You could see them?

Capt. ANGLIN. Yes, sir.

The CHAIRMAN. You did not cross after them?

Capt. ANGLIN. No, sir. Among those that were killed there was one Japanese and two soldiers, Carranza soldiers.

The CHAIRMAN. Were any of these men ever apprehended by the Mexican officials on the other side and returned to you—to this side?

Capt. ANGLIN. No, sir.

The CHAIRMAN. Was any effort ever made by the Mexican officials, Carranza soldiers, or others upon the other side to apprehend them, to your knowledge?

Capt. ANGLIN. No, sir.

The CHAIRMAN. In coming to the national boundary to make this attack, if they came from the other side, what point did they leave, if you know, on the Mexican side?

Capt. ANGLIN. Reynosa Vieja is the name of the place.

The CHAIRMAN. How far was it from Reynosa Vieja to any of the Mexican authorities or soldiers?

Capt. ANGLIN. Well, there was a Carranza station at Reynosa Vieja, a detachment of soldiers stationed there.

The CHAIRMAN. Now, when these people crossed back, where did they cross?

Capt. ANGLIN. Well, they crossed the river right—right near where the road was—about 2 miles farther down the river, and they went direct to the river and crossed.

The CHAIRMAN. Do you know where they went when they reached the other side?

Capt. ANGLIN. No, sir; I don't.

The CHAIRMAN. Which direction were they headed?

Capt. ANGLIN. When we saw them there were several of them afoot and several on horseback and they were headed toward Reynosa Vieja, the direction they were traveling.

The CHAIRMAN. Toward the place from whence they had come——

Capt. ANGLIN. Yes, sir.

The CHAIRMAN. To make the attack?

Capt. ANGLIN. Yes, sir.

The CHAIRMAN. And there was a Carranza garrison there?

Capt. ANGLIN. Yes, sir.

The CHAIRMAN. Was there any other damage done at Ojo de Agua besides the mere killing of a few soldiers—American soldiers?

Capt. ANGLIN. They burned a residence there belonging to Mr. Dillon, robbed the post office and a store.

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The CHAIRMAN. Do you know anything about any trouble at a crossing near Mission?

Capt. ANGLIN. Sir?

The CHAIRMAN. Do you know anything about any trouble at a crossing near Mission and a fight which ensued there?

Capt. ANGLIN. Yes, sir. That is known as the Cavazos Crossing.

The CHAIRMAN. Cavazos Crossing?

Capt. ANGLIN. Yes, sir.

The CHAIRMAN. What was that trouble?

Capt. ANGLIN. Well, we—a few days after the raid at Ojo de Agua, I went in company with six other peace officers—we had some information that some of this loot that had been taken out of the stores was hid down there in the brush in the bend of the river, so we went down there to make an investigation, and while we were there the soldiers were on the other side—there was a little immigration office over there, customhouse, on the Mexican side, and there was a troop of cavalry there; some of them were mounted and some dismounted, had their horses down to the edge of the river, bathing them.

The CHAIRMAN. Carranza cavalry?

Capt. ANGLIN. Yes, sir. We stood under cover there quite a while to see what we could see, and Mr. Baker, the sheriff of the county, walked out upon a levee that had been thrown up, and they saw him, and when they did they commenced shooting at him.

The CHAIRMAN. That is, Mr. A. Y. Baker?

Capt. ANGLIN. Yes, sir; we returned the fire and we fought there about an hour, I guess, and finally we ran them off; and so there was a kind of horseshoe in the bend of the river there, and they would get around and kind of cross-fire on us; and we thought it was about time to move, and we went out to Mission and got two troops of Cavalry. Capt. Frank McCoy was stationed there, and Capt. Wells. We got back there and reported to them what we had run into, and they returned to the river with us. As soon as we reached—got back to where we had to fight, there had been some Mexicans killed; we didn't any of us get hurt.

The CHAIRMAN. You say there had been some Mexicans killed?

Capt. ANGLIN. Yes, sir; in this fight.

The CHAIRMAN. In the fight with your posse?

Capt. ANGLIN. Yes, sir.

The CHAIRMAN. About how many do you know?

Capt. ANGLIN. We never did learn; no, sir.

The CHAIRMAN. Those who were killed on the Mexican side?

Capt. ANGLIN. Yes, sir.

The CHAIRMAN. You were shooting across the border?

Capt. ANGLIN. Yes, sir.

The CHAIRMAN. All right now; when you arrived with the soldiers——

Capt. ANGLIN. There was one soldier wounded; he didn't die.

The CHAIRMAN. And there was one soldier wounded among the American forces in the fight that took place then between the American soldiers and the Carranza soldiers?

Capt. ANGLIN. Yes, sir; they started the fight about 9 o'clock and it lasted until 4.30 that afternoon, when they withdrew. They were

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all in hiding behind trees and rocks on the other side of the river. It is rough country there, and it was very seldom we could get to see one of them; they just kept up continued fire all day, and they had a bugler with them, and withdrew about 4.30.

The CHAIRMAN. Did you go over that battle field any time or visit the scene thereafter?

Capt. ANGLIN. We returned there the next morning at daylight with the cavalry; they had run a train up from Reynosa and unloaded another troop of cavalry there.

The CHAIRMAN. The Mexicans had?

Capt. ANGLIN. Yes, sir; there were two troops there when we arrived on this side; they had taken all their stuff on the other side of the river; we could see them, but there was not any fighting taking place that next day.

The CHAIRMAN. Did you see any dead bodies there—any evidence of anybody having been hurt?

Capt. ANGLIN. Not the next morning.

The CHAIRMAN. Did you at any time after the——

Capt. ANGLIN. No, sir.

The CHAIRMAN. And there was one soldier wounded among the American forces in the fight?

Capt. ANGLIN. Yes, sir.

The CHAIRMAN. None killed?

Capt. ANGLIN. None killed.

The CHAIRMAN. Do you know anything about a raid upon the Las Norias ranch?

Capt. ANGLIN. Yes, sir; we—Mr. Baker phoned me the day following the raid, asked me if I would meet him out at Mr. Sprague's ranch; that he was going to try to get this bunch of bandits that—that raided the Las Norias ranch. So we went out there in cars—there were ten of us in the party—and got some horses there and went to the Jesus Maria ranch, owned by Amado Cavazos, who is deputy sheriff. These bandits had been there and had just left. They had butchered a cow there and ate, and Cavazos told us who was in the party and gave us some literature—some circulars—that they had left there.

The CHAIRMAN. What was the character of this literature?

Capt. ANGLIN. Well, it stated—I forget just how it was worded—anyway, there was going to be a general uprising; they were going to kill all the Americans, especially the rangers, soldiers, and officers; said it was an order from Carranza. They had left several of those circulars and he gave them to us. He also knew some of the people that were in the party.

The CHAIRMAN. Now, to return a moment to this raid upon Ojo de Agua—you say that in addition to the killing, that the Dillon store and residence were burned and the post office was robbed? Was there a wireless station there at that time?

Capt. ANGLIN. Yes, sir.

The CHAIRMAN. Had been?

Capt. ANGLIN. Yes, sir.

The CHAIRMAN. What was the condition of the wireless station after this raid?

Capt. ANGLIN. Why, it was pretty badly shot up; these soldiers were camped in a little frame house, and I am satisfied there were

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500 bullet holes in the house—I never counted them, but it had been estimated there were fully that many.

The CHAIRMAN. This was a military wireless station, was it?

Capt. ANGLIN. Yes, sir.

The CHAIRMAN. What was the general condition around McAllen, and in all that vicinity during the years of 1915 and 1916 as to the safety of the peaceable, law-abiding citizens of that community?

Capt. ANGLIN. Well, lots of our citizens left and moved away from the country; them that didn't, most of the farmers that lived out in the country, brought their families to town and they organized a home guard and patroled the town every night—kept the ladies—women and children inside of the city limits. Lots of people moved, went away.

The CHAIRMAN. Were you ever at Rio Bravo, Mexico?

Capt. ANGLIN. Yes, sir.

The CHAIRMAN. Did you ever see anything unusual in that vicinity on any of your trips there?

Capt. ANGLIN. I was in the customs service, stationed at Hidalgo, when the Carranza forces, under Gen. Lucio Blanco, marched onto—they taken Raynosa and marched down the river to Rio Bravo and camped; they seized a bunch of horses that belonged to Mitchell & Jennings, on the Saltena ranch, in Mexico.

The CHAIRMAN. Mitchell & Jennings were American citizens, were they?

Capt. ANGLIN. Yes, sir. They had bought the live stock off of this Saltena's ranch; the collector of customs rang me up and asked me to go to Rio Bravo and see Gen. Blanco and see if he would deliver these horses to Mr. Jennings at Rio Bravo, and asked him if he would allow him to cross them over. I went over there and talked to Gen. Blanco about the horses, and he told me he needed those horses and had to have them; he had taken them from the Saltena ranch. I told him I had been sent there; that the horses belonged to an American citizen; to an American, and he would like to get them; and he told me that he had an American citizen hanging in a mesquite tree down there; I could go down and look at him if I wanted to; and so I did—I went and looked at him.

The CHAIRMAN. Who was it; do you know?

Capt. ANGLIN. It was Juan Alamia.

The CHAIRMAN. An American citizen?

Capt. ANGLIN. Yes, sir; brother of the tax collector of Hidalgo County.

The CHAIRMAN. You did not get the horses?

Capt. ANGLIN. No, sir.

The CHAIRMAN. Did you learn why this American citizen was hung?

Capt. ANGLIN. No, sir. I didn't ask any questions. There were two other men hanging with him.

The CHAIRMAN. Did you know who they were?

Capt. ANGLIN. I did not. I knew Juan Alamia very well; had known him for years.

The CHAIRMAN. But you did not know the other two?

Capt. ANGLIN. No, sir.

The CHAIRMAN. And you did not seek to satisfy your curiosity any further?

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Capt. ANGLIN. No, sir.

The CHAIRMAN. Did you ever cross into Mexico before or since that?

Capt. ANGLIN. I did before; I haven't since.

The CHAIRMAN. On any of your trips into Mexico did you ever have any personal experience with the Carrancista soldiers?

Capt. ANGLIN. Just a few days before this—well, a day or two after Gen. Blanco had taken Reynosa—I was in charge of the customhouse at Hidalgo, and had crossed live stock there, cattle and goats, and we had to have the Government veterinarian from Brownsville to come up there and inspect this stock which was crossed; he had phoned Brownsville and asked for the veterinarian to be sent up, he had a bunch of goats there to be crossed, and he asked me if I would make sure that these goats were ready to be crossed; so I sent a note across the river to the man in charge, to know if he was going to allow these goats to be crossed; he sent a note back to me and told me he would come down to the bank of the river on the Mexican side and asked me if I would come over and talk to him, so——

The CHAIRMAN. Who was this man that sent you this invitation?

Capt. ANGLIN. Capt. Ortiz.

The CHAIRMAN. Of the Carranza army?

Capt. ANGLIN. Yes, sir. I went over and met him there. He came down to the bank of the river, and he told me that he thought that I was interfering with Mexican affairs and that he was going to take me up and put me in jail; that he had orders from his commanding general to execute anybody that meddled with his business.

The CHAIRMAN. His commanding general was Lucio Blanco?

Capt. ANGLIN. Yes, sir. I tried to argue the question with him, but the more I argued the worse he got; so he said he would take me up and put me in jail and send the sentence down to Gen. Blanco, and if he confirmed it, why, I would be shot at 12 o'clock that night; and there was a lieutenant there—that is, captain or lieutenant—whom I knew; he had been in the old Federal army. He interceded for me, and finally he threw his gun down on this captain and held him until I got in a boat and crossed the river; so the captain ordered him shot, but he jumped in the river and swam across in front of the customhouse, and they shot at him—fired 16 shots at him—but didn't hit him.

The CHAIRMAN. And he got across on this side?

Capt. ANGLIN. Yes, sir.

The CHAIRMAN. And you made your escape into Texas?

Capt. ANGLIN. Yes, sir.

The CHAIRMAN. After this experience, and learning from this captain what Blanco's orders were, when he told you that you could find this American hanging down in there, why, you did not pursue the inquiries any further?

Capt. ANGLIN. Oh, no, sir.

Senator SMITH. Did this party whom you met there know that you were holding an official position under the United States Government?

Capt. ANGLIN. This captain?

Senator SMITH. Yes.

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Capt. ANGLIN. Yes, sir.

The CHAIRMAN. I believe that is all, Captain. I am very much obliged to you, sir.

TESTIMONY OF MARCUS HINES.

(The witness was duly sworn by Dan M. Jackson, Esq., clerk of the subcommittee, duly authorized.)

The CHAIRMAN. Where do you reside, Mr. Hines?

Mr. HINES. In Santa Maria, Tex.

The CHAIRMAN. What is your occupation?

Mr. HINES. Customs inspector.

The CHAIRMAN. A little louder, please.

Mr. HINES. Mounted customs inspector.

The CHAIRMAN. On the border?

Mr. HINES. Yes, sir.

The CHAIRMAN. How long have you been mounted customs inspector?

Mr. HINES. About six years.

The CHAIRMAN. In the pursuance of your official duties as mounted customs inspector, did you have any experience along the border with bandits or raiders from Mexico upon this side?

Mr. HINES. Yes, sir.

The CHAIRMAN. Do you remember how many raids you learned of, or knew of personally, during your experience there; did any of them particularly much impress themselves upon your mind?

Mr. HINES. Well, I have had about 8 or 10 of them, I was in 2 of them; and then I got there after the others had happened.

Mr. JACKSON. They can not understand you, Mr. Hines—you will have to speak more distinctly and louder.

The CHAIRMAN. You were in two, I understand, and you were there shortly after several others occurred?

Mr. HINES. Yes, sir.

The CHAIRMAN. Do you know anything about the Las Norias raid?

Mr. HINES. Yes, sir.

The CHAIRMAN. Where were you at that time?

Mr. HINES. I was at the ranch.

The CHAIRMAN. At the Las Norias ranch?

Mr. HINES. Yes, sir.

The CHAIRMAN. What occurred there?

Mr. HINES. Well, there was a bunch of Mexicans surrounded the ranchhouse, and we had a fight with them.

The CHAIRMAN. Were you in that fight?

Mr. HINES. Yes, sir.

The CHAIRMAN. You say you are a mounted inspector. In the service of the United States Government, were you?

Mr. HINES. Yes, sir.

The CHAIRMAN. Was anybody hurt in that fight?

Mr. HINES. Yes, sir.

The CHAIRMAN. Who?

Mr. HINES. Old man Martin, and a fellow by the name of Forbes, three United States soldiers.

The CHAIRMAN. Was anyone else?

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Mr. HINES. There were some Mexicans.

The CHAIRMAN. You mean Mexicans of the attacking force?

Mr. HINES. Yes, sir. There were four Mexicans killed there; then they killed a woman there that lived on the ranch—the bandits did; the attacking party—the bandits killed a woman.

The CHAIRMAN. A Mexican woman?

Mr. HINES. Yes, sir; old Antonio Rocha killed her; killed the woman.

The CHAIRMAN. Antonio Rocha?

Mr. HINES. Yes, sir.

The CHAIRMAN. Have you heard the testimony of these witnesses who have immediately preceded you—Sheriff Vann?

Mr. HINES. Yes, sir; I heard Vann.

The CHAIRMAN. Was that the same Antonio Rocha of whom he spoke?

Mr. HINES. Yes, sir.

The CHAIRMAN. Did you take part in any other fights between bandits?

Mr. HINES. Yes, sir.

The CHAIRMAN. Where?

Mr. HINES. About 5 or 6 miles east of San Benito, the day they captured Dodds and killed two men.

The CHAIRMAN. The two men who were killed were the Austins—father and son?

Mr. HINES. The Austins—father and son? No, sir.

The CHAIRMAN. Smith and Donaldson?

Mr. HINES. No, sir. They hadn't been there but a little while; I don't know the gentlemen's names.

The CHAIRMAN. You didn't know them?

Mr. HINES. No, sir.

The CHAIRMAN. They were two Americans, were they?

Mr. HINES. Yes, sir.

The CHAIRMAN. Did you see the bodies?

Mr. HINES. No, sir.

The CHAIRMAN. Did they have a fight there?

Mr. HINES. Yes, sir; we had a fight that evening. We ran into them; we got into them that evening.

The CHAIRMAN. Where?

Mr. HINES. About 2 miles from where they captured Dodds.

The CHAIRMAN. What kind of fight did you have?

Mr. HINES. Well, we were in the road, and they were on each side of the road shooting at us; we were just shooting at them in the brush, and we killed a Mexican there in the brush.

The CHAIRMAN. Do you know where these men who you were fighting, where they went?

Mr. HINES. Not all of them.

The CHAIRMAN. Do you know where any of them went?

Mr. HINES. Yes, sir.

The CHAIRMAN. Where?

Mr. HINES. Some of them were killed.

Senator SMITH. Do you know where they went?

Mr. HINES. No, sir; I don't. They told me they went back into Mexico, but then I don't know that of my own knowledge—it was afterwards, you know.

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The CHAIRMAN. In any of these raids, do you know whether there were any Carranza soldiers identified?

Mr. HINES. Not that know of.

The CHAIRMAN. You do not know this?

Mr. HINES. No, sir.

The CHAIRMAN. You do not know yourself of the identification of Carranza soldiers?

Mr. HINES. I thought that some of them were Carranza soldiers, but then I didn't know.

The CHAIRMAN. From what you learned there in the pursuit of your official duties, did you ascertain whether these disturbances and raids were a part of a preconceived and worked-out plan, or whether they were simply sporadic outbreaks of bandits?

Mr. HINES. Well, right at the time, when the bandits first broke loose there, why, we—I didn't know what was the cause of it, but naturally, of course, working in it all the time we got onto it pretty well.

The CHAIRMAN. You did?

Mr. HINES. Yes, sir.

The CHAIRMAN. Well, what did you get onto?

Mr. HINES. Well, it was planned to take Texas and that country and give it back to Mexico, it was—to be plain with you about it, I think the Germans were back of the whole thing.

The CHAIRMAN. From information which you secured, it made the impression on you that the plan was backed by the Germans?

Mr. HINES. Yes, sir.

The CHAIRMAN. Well, now, did you ever have any talk with any Germans in that country about it?

Mr. HINES. No, sir. I had on one occasion, that when we were out after these bandits, I came up to a house that had a German flag over it.

The CHAIRMAN. The German flag flying over it?

Mr. HINES. Yes, sir.

The CHAIRMAN. Now, who lived there?

Mr. HINES. It was a farmer there. He had been there about a year or so. He had two or three Mexicans working for him. I took down the flag and asked him what it was for. He told me that these Mexicans told him if he would put that up anybody coming along wouldn't hurt him, and he was scared to death, and I let him go.

The CHAIRMAN. What did you do with that flag?

Mr. HINES. I gave it back to him and told him to be sure not to put it up again, and he said he wouldn't.

The CHAIRMAN. His excuse for having that German flag was these Mexican bandits told him to put it up?

Mr. HINES. No, sir; the Mexicans working for him.

The CHAIRMAN. Oh, the Mexicans working for him.

Mr. HINES. I am sure he didn't do it only to secure protection.

The CHAIRMAN. To secure protection?

Mr. HINES. Yes, sir. The Mexicans working for him told him.

The CHAIRMAN. He was assured that it would secure him protection?

Mr. HINES. The Mexicans working for him told him to put that up and they wouldn't hurt him.

The CHAIRMAN. Do you know where he got it?

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Mr. HINES. No, sir; I never asked him. I told him to be careful and not put it up any more.

The CHAIRMAN. You told him to be careful and not put it up any more?

Mr. HINES. Yes, sir; I told him I didn't want it up there. The people were pretty fairly excited them times out in the back country, and nearly all of them left, you know.

The CHAIRMAN. That is, the residents of the country—the citizens?

Mr. HINES. Yes, sir.

The CHAIRMAN. They were liable—did you think that the people themselves were liable to resent this German flag being exhibited?

Mr. HINES. Who—the American people?

The CHAIRMAN. Yes.

Mr. HINES. Why, there were three or four of the boys with me, and they were pretty sore about it. I talked them out of it and told them that man was scared to death.

The CHAIRMAN. You talked them out of what?

Mr. HINES. Tearing that flag up.

The CHAIRMAN. They were pretty sore?

Mr. HINES. Well, they didn't care much about seeing one of these flags flying over Texas, our country, I suppose. They were mad about it, but after we talked about it, why, we let it go.

The CHAIRMAN. Let it go with a warning?

Mr. HINES. Yes, sir.

The CHAIRMAN. With a warning if he put it up again?

Mr. HINES. Yes, sir.

The CHAIRMAN. That is all, Mr. Hines. I am very much obliged to you.

TESTIMONY OF MRS. NELLIE F. AUSTIN.

(The witness was duly sworn by Dan M. Jackson, Esq., clerk of the subcommittee, duly authorized.)

The CHAIRMAN. Are you an American citizen, Mrs. Austin?

Mrs. AUSTIN. Well, I was born in Montreal.

The CHAIRMAN. You were born in Montreal?

Mrs. AUSTIN. Yes, sir.

The CHAIRMAN. Who was your husband?

Mrs. AUSTIN. A. L. Austin.

The CHAIRMAN. A. L. Austin?

Mrs. AUSTIN. Yes, sir.

The CHAIRMAN. Was he an American citizen?

Mrs. AUSTIN. Surely.

The CHAIRMAN. Of what State was he a native, if you know?

Mrs. AUSTIN. Vermont.

The CHAIRMAN. Vermont. How long have you lived in Texas, Mrs. Austin?

Mrs. AUSTIN. Ten years last September.

The CHAIRMAN. Was your husband alive when you came here?

Mrs. AUSTIN. Yes, sir.

The CHAIRMAN. When did he die?

Mrs. AUSTIN. The 6th of August, 1915.

The CHAIRMAN. Where?

Mrs. AUSTIN. At Sebastian, Tex.

The CHAIRMAN. Did you have any children?

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Mrs. AUSTIN. Two. Charley they murdered when they killed his father; my youngest son, Louis, was at Balboa Heights, Canal Zone.

The CHAIRMAN. How old was your son Charles?

Mrs. AUSTIN. Just 30.

The CHAIRMAN. What happened at that time when you say your husband was killed—who killed him?

Mrs. AUSTIN. Why, Mexicans; I couldn't tell you who they were, as I don't know them.

The CHAIRMAN. At what time did the Mexicans come to your house?

Mrs. AUSTIN. Well, you know, I have never been certain about the hour, but it was, I should suppose, 9 in the morning as nearly as I can think.

The CHAIRMAN. Just what were the circumstances, what occurred there?

Mrs. AUSTIN. Well, I was—hadn't commenced to do my work, I had been very ill and was only able to get around slowly, and sat there—I sat there resting, and I heard leather creaking, and chains rattling; I looked up and, as I supposed, there were a number of Mexicans on horseback, with guns; I immediately knew they were bandits from knowing they were in the neighborhood a few nights before. I didn't know anything more than for a minute, for I closed my eyes. When I came to I saw them again, and there were only five; my fright made me suppose there was a great number; they crowded as they came toward the house and there was a litle two-wheeled gig drawed up, was right behind them, with my husband, son, and Elmer Millard, who worked on the sheller with them. I didn't remember any more.

When I opened my eyes again one bandit was in the room where I was, with my son standing in front of him; he had a gun right up at his stomach, and I said, "Why, Charley, what do they want, what do they mean, my son?" When he spoke to me I saw he was very excited and he said, "Keep quiet, mother, everything is all right, don't worry." When I first looked I didn't notice the gun, but in a minute, noticing it, I got up to go over there and push it away, and Charley told me, in as cross a voice as he could, to go and sit down and keep quiet. I then noticed that there were two other Mexicans, one just about two feet behind the other at my kitchen door, one with a gun right on my boy, and right outside of the door was another one, his gun pointed at him. I went then and sat down on a couch, where I could see my husband as he sat out in the car. I asked him what was meant, and he told me in the same way not to worry, everything was all right. They then—the fellow who was in front of Charlie wanted to know if we had any firearms; Charlie told them yes, we had two guns, and he went to get them for him, they were over in the corner, not far from where he was standing. He got the guns, and I can't remember whether that man took them or not—that gun. They then wanted ammunition, and I had to tell my son where the ammunition was—I believe I hid it, knowing that bandits were around. They asked for more, and I thinking, when Charlie answered them, that perhaps they might believe me, told them no, we had no more. One of those guns was a shot gun, and the other one was an old army rifle that had been loaned to my husband and

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son to kill deer. Then they wanted to know if we didn't have a pistol; Charlie told them no, and I thinking perhaps they might believe me, also told them that we never had owned one. Well, I don't remember anything more; when I opened my eyes again they had left the house. When I came to I could see the horse being slowly turned around; Charlie was sitting in the middle, driving it. I ran to the table, and I asked my husband wasn't he coming in to me before he went, never thinking there was anything up but just robbery. My husband says, "Don't worry, Mother, I will be back in a moment—I will be back in a minute."

They had taken the guns out, and one of the men sitting on horseback, in front of the window, took this old army rifle and threw it on the ground; some one picked it up and handed it to him, and he threw it again—they seemed greatly displeased with it. They then turned and went away; I watched them until they turned to go down toward the country—there were quite a number of very good houses, and I could see them until they turned down this direction, then the wall of the house hid them from view until they went through the gate. After they had gone through the gate they closed it very carefully after them, and I could see our horses plunge and jump, and I wondered what was the matter, but not thinking about it, I was so pleased to think they had gone. After a while—well, it wasn't but a few seconds—I stood up—I had been writing a letter to my son and I thought I would add a postscript and tell him the bandits had been there and robbed the house—I stood up to go to the table to write, and I heard this volley.

The CHAIRMAN. Firing?

Mrs. AUSTIN. It was—yes, just that once—it seemed as though one gun might have lagged, but they fired at the same time. I knew what it was—and I think for a moment I must have gone crazy. When I came to I was standing at the same place; my dog had come into the house and was jumping up in my face, lapping it with his moist tongue, brought me to. I knew enough to get my hat and to start after them to find them—and I kept feeling my heart give out, and I got but a short distance from the house when I saw that I would not be able to go farther. As I turned to come back and sit down until I was able to breathe again. I saw Elmer Millard coming back, he had almost reached my gate; I waited for him to come up, and I asked him where my boys were. He said, "They have shot them, Mrs. Austin." I wanted to go—I told him I was going down to get them and he begged me not to; he said the bandits were probably there yet, and I told him a shot would not hurt me any more than it had them, and so I started alone; I went down, and there were two roads, both led through the woods, one toward the village, the other south of the 40 that we were working, and when I got to that, I didn't know where to go, which road to take, and I thought I never would be able to get to the house again; I turned around to go and see if I could get Elmer—get to Elmer, and he had followed me down and was coming through the gate; he motioned for me, which way to go, but I misunderstood him, and on account of my misunderstanding him I was going the wrong road, and he hollered to me; he told me to go the other way.

I got but a few feet in the other road when I could see my husband's feet in the roadway. He wore white trousers and I could

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see him plainly; I had to pass. Charley was lying nearest, more under the bush, and I got to my husband first, picked him up—tried to pick him up first—I turned him over, and as I passed Charley I saw that Charley was dead; one of his eyes that I could see was open; then I picked my husband up and turned him over; blood was flowing from his mouth, but there was no other mark on his face. I talked to him and talked to him; I knew he was alive for his eyelashes moved—or eyelids—but he couldn't speak. When I put him down I went to Charley, and I couldn't move him for he was like a piece of stone; he was lying in a pool of blood. Elmer got to me by that time and I thought that if I could get to a physician we could save my husband. Elmer said, "Oh, no; Mrs. Austin, they are dead." I told him I knew my husband wasn't. I stayed with him, and I think it must have been a half hour afterwards when I knew my husband was dead. I could hear—I said it was two hours, others said it was about an hour and three-quarters—I could hear an auto coming, and thinking it was coming east of the road, which, if it did, it would pass me, I waited, but it went the other road and went directly to our home. Coyotes were howling not very far away and I was afraid to leave my dead and go and try to let them know where I was; but after a while I went, and I had gotten almost to my gate when Mr. Smith, the man who was helping my husband run the sheller, saw me and hollered for me to wait. I turned to go back to my dead and he caught up with me. We got to where my husband and son were lying and another auto came; they carried us into the village. Me they kept in town, but my husband and son, although I thought they were going to leave them in town, carried out to Lyford.

The CHAIRMAN. Do you know of any reason why your husband and son should have been killed by those people?

Mrs. AUSTIN. No reason whatever.

The CHAIRMAN. Had there ever been any trouble between your husband and son, or any of your family, and any of the bandits or Mexicans?

Mrs. AUSTIN. Oh, no; not a bit of trouble. You see, we didn't hire very many of them, and I don't know of any of those ever having worked for my husband.

The CHAIRMAN. You could not identify any of them?

Mrs. AUSTIN. Oh, no; no.

The CHAIRMAN. They were not natives?

Mrs. AUSTIN. One of them had borrowed money from my husband to hire help to pick his cotton; he was amongst those that came—that said, when I described the fellow who was standing in front of Charley—they said that that was Alberto Mejia; he was one of the men who had borrowed $10 from them; but others said no, that he wasn't amongst that five; so I don't know.

The CHAIRMAN. We will not detain you any longer, Mrs. Austin. Thank you very much.

TESTIMONY OF JOE TAYLOR.

The witness was duly sworn by Dan M. Jackson, Esq., clerk of the subcommittee, duly authorized.

The CHAIRMAN. Where do you live?

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Mr. TAYLOR. San Benito, Tex.
The CHAIRMAN. Are you a native of this country?
Mr. TAYLOR. Yes, sir.
The CHAIRMAN. What State?
Mr. TAYLOR. Texas.
The CHAIRMAN. What is your business?
Mr. TAYLOR. Customs inspector.
The CHAIRMAN. United States service?
Mr. TAYLOR. Yes, sir.
The CHAIRMAN. How long have you been customs inspector?
Mr. TAYLOR. Something over five years.
The CHAIRMAN. Do you know anything about what is known as the Las Norias raid near the—in your part of Texas in 1915?
Mr. TAYLOR. Yes, sir.
The CHAIRMAN. Were you there——
Mr. TAYLOR. Yes, sir.
The CHAIRMAN (continuing). At the time of the raid?
Mr. TAYLOR. Yes, sir.
The CHAIRMAN. What were you doing?
Mr. TAYLOR. Well, I was there at the ranch when the fight took place.
The CHAIRMAN. Were you in that fight?
Mr. TAYLOR. Yes, sir.
The CHAIRMAN. How many Mexicans were there in the attacking force, more or less?
Mr. TAYLOR. I think between 50 and 60; something like that.
The CHAIRMAN. How long did the fight last?
Mr. TAYLOR. I think about an hour, maybe more.
The CHAIRMAN. Some United States soldiers were engaged in it, were they?
Mr. TAYLOR. Yes, sir.
The CHAIRMAN. What were the casualties, if you know, in that fight?
Mr. TAYLOR. I think there were four or five Mexicans killed.
The CHAIRMAN. And some Americans?
Mr. TAYLOR. One United States soldier, I believe.
The CHAIRMAN. Others were wounded?
Mr. TAYLOR. Yes, sir.
The CHAIRMAN. Do you know of any other raids, disturbances, killings?
Mr. TAYLOR. Yes, sir
The CHAIRMAN. In 1915 and 1916? Did you know a man by the name of Smith and a man by the name of Donaldson?
Mr. TAYLOR. Yes, sir.
The CHAIRMAN. You knew them when they were alive?
Mr. TAYLOR. Yes, sir.
The CHAIRMAN. Did you see them dead?
Mr. TAYLOR. Yes, sir; I think I did.
The CHAIRMAN. Where was it?
Mr. TAYLOR. It was out from San Benito, about 10 or 12 miles east of San Benito.
The CHAIRMAN. How did you happen to see their bodies?

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Mr. TAYLOR. Well, after they were killed they were—a party went out there to try to get those Mexicans that killed them and I was with that crowd.

The CHAIRMAN. Did you notice the condition of their bodies?

Mr. TAYLOR. Yes, sir.

The CHAIRMAN. What was the condition?

Mr. TAYLOR. I think they had their trousers off, and it seems like their feet were hacked up, or something.

The CHAIRMAN. Their shoes off?

Mr. TAYLOR. Yes, sir.

The CHAIRMAN. About how many raids, more or less, occurred to your knowledge?

Mr. TAYLOR. I don't remember, Senator; there was a lot of them.

The CHAIRMAN. What were the general conditions as to peace and order, or violence, along the border for two years?

Mr. TAYLOR. Well, it was bad; in 1915, during the raids, it was awful bad, lots of people left there.

The CHAIRMAN. Did you know a man by the name of de la Rosa—Luis de la Rosa?

Mr. TAYLOR. Yes, sir.

The CHAIRMAN. Did you know anything about his activities during this time or before?

Mr. TAYLOR. Well, I knew him before the time, I arrested him when I was in the ranger service, for he was supposed to be killing cows out there, stealing cattle, but I couldn't get enough evidence for my case against him, and we had to let him go.

The CHAIRMAN. You knew of his being in these different raids, did you?

Mr. TAYLOR. Yes, sir.

The CHAIRMAN. Do you know anything about the objects of these raids from any Mexican source or otherwise? Did you have any talk with any of the raiders at any time?

Mr. TAYLOR. No, sir; I don't think I did.

The CHAIRMAN. You did not have any talk with the Mexicans in that vicinity as to the objects of the raids?

Mr. TAYLOR. No, sir; I didn't—I don't remember of any.

The CHAIRMAN. Where did the raiders go after committing depredations on this side, if you know?

Mr. TAYLOR. They would go back across the river.

The CHAIRMAN. In to Mexico?

Mr. TAYLOR. Yes, sir.

The CHAIRMAN. Were you rendered any assistance in apprehending them, or any of them, by the Mexican officials upon the other side?

Mr. TAYLOR. No, sir.

The CHAIRMAN. Was any obstacle thrown in your way by such officials on the other side that you know of?

Mr. TAYLOR. Well, they would seem to be protected, and they were in with them over on the other side; they wouldn't bother them; they would go right back over there.

The CHAIRMAN. They would not interfere with them when they would attempt a raid?

Mr. TAYLOR. No, sir.

The CHAIRMAN. Nor when they had concluded a raid?

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Mr. TAYLOR. No, sir.

The CHAIRMAN. From your general information, who did you understand, if any, among the Carrancista officials was responsible for or supporting these raids?

Mr. TAYLOR. Gen. Nafarrate.

The CHAIRMAN. Nafarrate, of the Carranza Mexican Army?

Mr. TAYLOR. Yes, sir.

The CHAIRMAN. That is all, I believe, Mr. Taylor. Much obliged to you, sir.

TESTIMONY OF JACOBO C. GUERRA.

(The witness was duly sworn by Dan M. Jackson, Esq., clerk of the subcommittee, duly authorized.)

The CHAIRMAN. Mr. Guerra, of what country are you a native?

Mr. GUERRA. Mexico.

The CHAIRMAN. Mexico?

Mr. GUERRA. Yes, sir.

The CHAIRMAN. Are you an American citizen?

Mr. GUERRA. Yes, sir.

The CHAIRMAN. Naturalized citizen?

Mr. GUERRA. Naturalized citizen (producing papers).

The CHAIRMAN. You have your papers? What official position, if any, have you held in the United States at any time?

Mr. GUERRA. First, I was county treasurer for about eight years, I think.

The CHAIRMAN. County treasurer?

Mr. GUERRA. Yes, sir.

The CHAIRMAN. Of what county?

Mr. GUERRA. Starr Conuty.

The CHAIRMAN. Starr County, Tex.?

Mr. GUERRA. Yes, sir.

The CHAIRMAN. Any other official positions?

Mr. GUERRA. Sheriff and tax collector.

The CHAIRMAN. Sheriff and tax collector of Starr County?

Mr. GUERRA. Of Starr County.

The CHAIRMAN. During what years were you sheriff and tax collector; do you recall?

Mr. GUERRA. From 1914 to 1918.

The CHAIRMAN. From 1914 to 1918?

Mr. GUERRA. To December, 1918.

The CHAIRMAN. From 1914 to December, 1918, you were sheriff of Starr County?

Mr. GUERRA. Yes, sir.

The CHAIRMAN. During the years 1915 and 1916, particularly, what Mexican factions, if any, were in control of the Mexican side of the river from Starr County?

Mr. GUERRA. The Carrancistas.

The CHAIRMAN. The Carrancistas? Do you know anything about any troubles or disturbances on this side—raids, murders, or attacks—during your incumbency of the office of sheriff?

Mr. GUERRA. Well, it was in 1915—I think it was; yes—there were some raids that occurred by some soldiers that came from the other side of the river—Carrancista soldiers—a bunch of about 16; they crossed at the Escaballo ranch, about 10 miles from Rio Grande city.

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The CHAIRMAN. They were Carranza soldiers?

Mr. GUERRA. Yes, sir; they were Carranza soldiers.

The CHAIRMAN. Came over on this side?

Mr. GUERRA. Came over on this side and crossed, and amongst that bunch there was a lieutenant.

The CHAIRMAN. Do you know his name?

Mr. GUERRA. Yes, sir.

The CHAIRMAN. What was it?

Mr. GUERRA. Silvestre Castillo.

The CHAIRMAN. Where did they go after arriving upon this side, if you know?

Mr. GUERRA. Well, I was notified about 1 o'clock in the morning by phone; I started right away to the place and I met this fellow, Castillo, at the ranch and he crossed his horse, saddle, and gun—pistol—and he told me that he had crossed; that he proposed going up to Rio Grande City and paying duty on that horse and saddle. Of course, I knew pretty well from the way that he talked that he was not telling the truth; I was there and I left him in charge of one of my deputies and went out; I went right to some of my neighbors there, some of the mounted inspectors, and we went out scouting and found some guns way out in the brush, and——

The CHAIRMAN. What kind of guns were they, Mr. Guerra?

Mr. GUERRA. Winchesters.

The CHAIRMAN. Winchesters?

Mr. GUERRA. Yes, sir; we got three soldiers and a woman, that makes with the lieutenant five in all; and that woman told us—she was dressed as a soldier.

The CHAIRMAN. The woman was dressed in men's clothing?

Mr. GUERRA. The woman was dressed in men's clothing; yes, sir.

The CHAIRMAN. In a uniform?

Mr. GUERRA. Yes, sir; man's coat and pants. And I took her apart, and she told me the whole truth; she said that 12 of these men had gone back to Mexico; that they intended to go and rob the store at Saenz's ranch.

The CHAIRMAN. Was that on this side?

Mr. GUERRA. That was on this side; yes, sir. It is pretty close to Roma, about 3 miles from Roma, I think. I found that they had cut the telephone wires as soon as they got to this side; they stole a mare and a hammer; they used them for cutting the wire, you know.

The CHAIRMAN. They were cutting the wire fence?

Mr. GUERRA. Sir.

The CHAIRMAN. They were cutting the wire fence?

Mr. GUERRA. No, sir; telephone wires.

The CHAIRMAN. Telephone wires?

Mr. GUERRA. Telephone wires; yes, sir. We brought those four men and this woman and locked them in jail and we used the woman as a witness when they were tried—turned her loose and used her as a witness.

The CHAIRMAN. You released the woman and used her as a witness in this trial of the men?

Mr. GUERRA. Yes, sir; and they were sentenced to five years in the pen.

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The CHAIRMAN. What did the other band do, if you know, the other 12—did they rob the store?

Mr. GUERRA. No, sir; they did not.

The CHAIRMAN. Do you know where they went; did you ever learn?

Mr. GUERRA. They went back to Mexico.

The CHAIRMAN. They went back to Mexico?

Mr. GUERRA. Yes, sir.

The CHAIRMAN. Do you know anything about the store at Salineno being robbed?

Mr. GUERRA. Yes, sir; twice during the time I was sheriff.

The CHAIRMAN. Twice?

Mr. GUERRA. Yes, sir.

The CHAIRMAN. By whom was it robbed, do you know?

Mr. GUERRA. By Mexican people who came over from the other side, came down the river to Mier—coming and going back.

The CHAIRMAN. How far was it from there to where there was any Carranza garrison?

Mr. GUERRA. It must be about 12 or 15 miles.

The CHAIRMAN. At Mier?

Mr. GUERRA. At Mier; yes, sir.

The CHAIRMAN. Did you know Maximiano Garcia?

Mr. GUERRA. Yes, sir; I knew Maximiano Garcia very well.

The CHAIRMAN. Where is he now?

Mr. GUERRA. He is dead.

The CHAIRMAN. Was he an American citizen?

Mr. GUERRA. He was born and raised here in this country.

The CHAIRMAN. You say he is dead?

Mr. GUERRA. Yes, sir.

The CHAIRMAN. What was the occasion of his death, if you know?

Mr. GUERRA. He was murdered by some people that came from the other side—some Mexicans that came from the other side.

The CHAIRMAN. Do you know the cause of his murder, why they murdered him?

Mr. GUERRA. They robbed him.

The CHAIRMAN. They murdered him in committing the robbery?

Mr. GUERRA. Yes, sir.

The CHAIRMAN. What year was that?

Mr. GUERRA. That was the 3rd day of June, 1918.

The CHAIRMAN. Were his murderers ever apprehended?

Mr. GUERRA. No, sir.

The CHAIRMAN. Where did they go after the murder, do you know?

Mr. GUERRA. They went back to Mexico; and I went to Mexico and reported the murder to the Mexican civil authorities—I went over there myself—and to the military commander.

The CHAIRMAN. To the Mexican civil authorities and the military commander?

Mr. GUERRA. Yes, sir.

The CHAIRMAN. What was done, if anything, to apprehend them?

Mr. GUERRA. They didn't do anything.

The CHAIRMAN. Do you know anything about the killing of an American citizen by the name of Gonzales?

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Mr. GUERRA. Gonzales? Yes, sir; I heard a few days ago about that case.

The CHAIRMAN. Where was he killed, if you know?

Mr. GUERRA. He was killed in Camargo, Mexico, right in front of the quarters, in front of the soldiers' quarters.

The CHAIRMAN. In front of the soldiers' quarters or barracks?

Mr. GUERRA. In front of the soldiers' quarters or barracks; yes, sir.

The CHAIRMAN. By whom was he killed, if you know?

Mr. GUERRA. By a captain by the name—I don't recollect his name—Cortina.

The CHAIRMAN. Cortina, of the Carranza army?

Mr. GUERRA. Yes, sir; of the Carranza army?

The CHAIRMAN. Do you know why he was killed?

Mr. GUERRA. No, sir; I do not.

The CHAIRMAN. You don't know anything about the reason?

Mr. GUERRA. No, sir.

The CHAIRMAN. During your administration of the preceding years, 1911, and subsequent years, what was the condition in that same neighborhood as to peace and quiet, or violence?

Mr. GUERRA. It was pretty good, pretty pleasant always.

The CHAIRMAN. Prior, I say, before 1911.

Mr. GUERRA. Oh, before.

The CHAIRMAN. What was the condition during Diaz's régime?

Mr. GUERRA. It was very quiet.

The CHAIRMAN. It was very quiet?

Mr. GUERRA. Yes, sir.

The CHAIRMAN. Since and subsequent to that time what has been the condition in your county with reference to disturbances and violence?

Mr. GUERRA. It has been the reverse.

The CHAIRMAN. It has been the reverse?

Mr. GUERRA. Yes, sir.

The CHAIRMAN. With reference to the attempt of the officers on this side to enforce law and order—have you been able to secure assistance from the Mexican authorities on the other side?

Mr. GUERRA. No, sir; and I have tried many times.

The CHAIRMAN. You have tried many times?

Mr. GUERRA. Yes, sir.

The CHAIRMAN. You have not been able to secure assistance either from the civil or military authorities?

Mr. GUERRA. No, sir.

The CHAIRMAN. All right, Mr. Guerra. Thank you very much.

TESTIMONY OF TOM MAYFIELD—Recalled.

(The witness was warned by the clerk of the subcommittee that he had been sworn and was still under oath.)

The CHAIRMAN. Mr. Mayfield, in the performance of your official duties, did you become acquainted at any time with a man by the name of Lawrence, calling himself Lawrence or Lorenz?

Mr. MAYFIELD. Yes, sir.

The CHAIRMAN. Under what circumstances?

Mr. MAYFIELD. Well, I had the information that this man was—was making threatening remarks in reference to our Government,

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and I was working on those cases, enforcing what is known as the Hobby loyalty act in the State of Texas, and I put a man by the name of Chaney with him to secure this information, and he has his affidavit in his, in Chaney's report to me.

The CHAIRMAN. Had this man Lawrence been arrested?

Mr. MAYFIELD. Yes, sir.

The CHAIRMAN. Was he under bond or in jail?

Mr. MAYFIELD. He was under bond.

The CHAIRMAN. You sent a man by the name of Chaney, and a man that you knew you could depend on?

Mr. MAYFIELD. Yes, sir.

The CHAIRMAN. To obtain information from him?

Mr. MAYFIELD. Yes, sir.

The CHAIRMAN. Of what was Lawrence suspected? You say you had heard that he was making some remarks derogatory to our country, concerning us?

Mr. MAYFIELD. Different people had told me at times that Lawrence had said that the German people had officers in Mexico training the Mexican soldiers, and that any time that they saw fit to come over to the American side they, the German people, would give them all the help and support necessary, and blow up our pumping plants—destroy the pumping plants, destroy all the foodstuffs possible; so I put Chaney with him then to secure this information, as I was working under instructions of Capt. Anderson at the time, and that was his instructions, to get two affidavits before I made a complaint.

The CHAIRMAN. This paper which you have handed the committee is a copy of a summary of the affidavit made by Chaney in the nature of a report to you?

Mr. MAYFIELD. Yes; that is Chaney's report.

The CHAIRMAN. As to what he learned from Lawrence?

Mr. MAYFIELD. Yes, sir.

The CHAIRMAN. Chaney's statement was corroborative, then, of what you had learned by general rumor and report concerning Lawrence's statement?

Mr. MAYFIELD. Yes, sir; and on the examining trial, why, Lawrence admitted to that statement, too, which the court records at Brownsville, of the Federal court, will show, before United States Commissioner Goodrich.

The CHAIRMAN. What became of Lawrence?

Mr. MAYFIELD. He was placed on trial and I don't know what disposition has been made of the case since.

The CHAIRMAN. In the examining trial he admitted that he made these statements here?

Mr. MAYFIELD. Yes, sir.

The CHAIRMAN. As reported to you by Chaney?

Mr. MAYFIELD. Yes, sir.

The CHAIRMAN. To the effect that there were officers on the other side and men—he was a German citizen, wasn't he?

Mr. MAYFIELD. Yes, sir. That they had German officers.

The CHAIRMAN (reading):

That they have men and officers on the other side training the troops. We can blow up these river pumps whenever we like, because we can come over here; we won't leave here, but will join them here. We have already blown

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up a bunch of ships in New York Bay. We are going to win this war. We will show the God damned bone heads who we are. Gen. G. has more sense than all the Americans have.

Do you know whom he meant by "Gen. G."; did he explain that?

Mr. MAYFIELD. He told me, but I didn't—General—I don't remember now; it was some German general—he explained it on the examining trial, but I don't remember it now.

The CHAIRMAN (reading):

You are helping out the Red Cross, but I helped them the first time they came around, but I'll never have any more money to help them with. And he said the Government was assuming the food situation; a poor institution for the working man at home. * * * There are not a half a million men going over there, for the German submarines have got at least half of them.

Where was this man Lawrence operating?

Mr. MAYFIELD. He owned a little piece of property on what is known as the Alamo tract or Alamo subdivision, in Hidalgo County.

The CHAIRMAN (reading):

And he stated that they—

The Germans—

had German spies in San Juan and McAllen, Tex.

Mr. MAYFIELD. Yes, sir.

The CHAIRMAN. And all over the country?

Mr. MAYFIELD. Yes, sir.

The CHAIRMAN. And he made this corroborating statement?

Mr. MAYFIELD. Yes, sir; to Capt. Stevens, and also to Judge Goodrich.

The CHAIRMAN. He was living near the border——

Mr. MAYFIELD. Yes, sir; within 8 miles of the border.

The CHAIRMAN (continuing). Where he could come in contact with the Mexican bandits and others?

Mr. MAYFIELD. Yes, sir.

The CHAIRMAN. That is all. Thank you.

The committee will now go into executive session, and after the executive session is over, the committee will be in recess until tomorrow until half past 10.

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INVESTIGATION OF MEXICAN AFFAIRS.

SATURDAY, JANUARY 24, 1920.

SUBCOMMITTEE OF THE COMMITTEE ON FOREIGN RELATIONS,
UNITED STATES SENATE.

The subcommittee met pursuant to the call of the chairman at 2.30 o'clock p. m., in the pink room of the Gunter Hotel, in San Antonio, Tex., Senator A. B. Fall presiding.

Present: Senators Fall (chairman), Smith; and Dan M. Jackson, Esq., clerk of the subcommittee.

The CHAIRMAN. The committee have no other witnesses to examine, I believe, but I think that possibly there is some gentleman who desires to make a statement before the committee, and who has so notified the secretary or special agent for the committee, and we would be glad to hear him now.

Mr. JACKSON. Gentlemen, is there anybody who desires to make a statement before the committee?

TESTIMONY OF JAMES W. SULLIVAN.

(The witness was duly sworn by Dan M. Jackson, Esq., clerk of the subcommittee, duly authorized thereto.)

The CHAIRMAN. If you desire to make a statement, you can make it provided it is pertinent. You understand, Mr. Sullivan, what this committee is doing, and under what instructions it is acting, do you?

Mr. SULLIVAN. No; I do not, Senator—you are Senator Fall?

The CHAIRMAN. Yes, sir; and this is Senator Smith.

Mr. SULLIVAN. No; I couldn't say I exactly know the instructions the committee have got at all. All I know is through the newspapers. I know this committee are here for the purpose of holding an investigation to find, out as I understand, conditions in Mexico; and after a number of days going over the matter, I thought, as I was a property holder in Mexico and have lived there for a long number of years, something over 20 years, and knew the country pretty well, that I wrote here to the House Rules Committee in August, I believe it was, a letter in regard to my views on the situation down there, and I thought I would come to express those view to this committee.

The CHAIRMAN. Well, the committee will be very glad to hear any views, and your views as to what particular point.

Mr. SULLIVAN. Well, in regard to—did Mr. Hanson give you the article?

The CHAIRMAN. Yes; I have it here, a copy of the San Antonio Light of August 17, 1919, containing an article or referring to and embracing, I believe, a letter from you directed to the House Com-

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mittee on Rules with reference to Mexican matters, headed, it says, "Certain interests seek intervention," and I believe this contains your——

Mr. SULLIVAN. Yes, sir. Well, the——

The CHAIRMAN. Now, if you have any information upon any facts showing that any interests in the United States are seeking intervention—you referred to armed intervention, war with Mexico—if you have any statement to make concerning that, based upon the facts within your knowledge, we would be glad to hear you, and of course there may be 1 or 10,000,000 theories about Mexican matters. We would not have time to hear the theories, but anything based upon facts we would be glad to hear you.

Mr. SULLIVAN. That is exactly the idea. In my communication it looked as though that time intervention was a very serious matter; things were at a white heat.

The CHAIRMAN. What is your conception of intervention?

Mr. SULLIVAN. I thought we were going to have armed intervention in Mexico, and my object was to avert, if possible, armed intervention. I realize, which we all do, that there has been a great many atrocities committed during the revolution in Mexico, and I realize, furthermore, that the people in this country, and there as well, of the better class and those who understood could not help but sympathize with whoever were unfortunate enough to meet with those calamities. They were horrible things, and I believe the Mexican people themselves are very sorry to see such things ever take place. And I thought going down the line over the matter, as these things were beginning to grow very rapidly, intervention looked for a while as though it was going to take place, that there was another remedy which possibly could be adopted for the welfare of Mexico and the foreigners and Americans and all those who had interests in the country; that there was another method that could be pursued to fetch about peace down there instead of armed intervention, because it looked to me, from my experience, that the Mexican people are a proud people and are very resentful of anything that would in any way jeopardize their sovereignty.

Now, I thought if we could overcome the enormous expense, etc., which would be coupled with it by giving the present administration of Mexico—and I wish to state specifically I have no friendship whatever with any government in Mexico or any of their people so far as Mr. Carranza is concerned; I have never met the man, I don't believe there is a man in the Carranza Government to-day I know personally. When the first trouble broke out I was very much in favor of the Diaz people. I want to see peace. I knew what the results would be, because Madero was a friend of mine; I used to buy his cotton seed in former years. I regretted to see that step taken at that time. I was for anything to keep things harmonized and keep Diaz's administration in office was my theory. It looks to me—I am not thoroughly posted in these things, I am taking it from a humanitarian point of view. As it looked to me afterwards, when Huerta was turned down by our Government, De la Barra was also eliminated from the field, Carranza was put in office, and it is generally understood by we people of the United States that he was sustained by President Wilson, he was established as the established

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Government of Mexico, and I believe upon that theory, if such was the case, that the Government in all due justice should be given a fair chance. I believe the man should have been given a fair chance, in my argument there with the house rules committee, if they needed financial assistance in Mexico, that we authorize the stated Government as it is to-day, should have been given that assistance to the extent of allowing them to reestablish their railroads and their military forces in to fetch about peace, which is two of the essential things in any country, which is necessary to fetch about peace. You must have railroads and you must have military force to do so. I thought Carranza would be able to do that along them lines if he was given the necessary moral and financial aid from this country, as it was our next door neighbor, and as we had loaned millions of money and billions of money to foreign European countries that are far away. It seemed to me the great rich country she is, her assets, her wonderful natural resources, there would be no chance whatever as I could see of running a risk in lending money. I thought Mexico was a nation that was able to settle an enormous debt. I also laid stress upon the matter that I thought that it looked to me from what I could find from the daily newspapers, which was a great deal of my source of information in regard to certain things, in regard to ammunition runners, the smugglers of ammunition, and the supplying of the discontented factions from this side with all of the necessary and sinews of war to carry on all these revolutions and banditry that was going on down there, and harrassing the stated Government. That is the principal contention, Senator, which I have been taking. Now, whether I am right, I do not know.

The CHAIRMAN. Well, now, upon what information, in your position, do you base your statements, for instance, as to furnishing arms and munitions and supplies necessary to the revolutionists against the stated Government?

Mr. SULLIVAN. Through the public press, principally, and through the observation which I had through the public press.

The CHAIRMAN. You did not endeavor to ascertain officially?

Mr. SULLIVAN. No, sir; I did not.

The CHAIRMAN. Now, can you recall, Mr. Sullivan, any statement, any particular statement with reference to our furnishing or allowing to be furnished, supplies and arms and ammunition to the revolutionists?

Mr. SULLIVAN. Well, I couldn't say that I know of any particular statement outside of what I would see from day to day, or more or less, through the different weeks I have stated, in the San Antonio public press, Senator.

The CHAIRMAN. Including approximately what dates?

Mr. SULLIVAN. Well, that would be along about, oh, that would be ever since the time of the Madero revolution up to a short time ago; I have noticed in the last few months—five or six months, maybe—I might say that there seems to be somewhat of an energetic move by the Department of Justice in this country, or some of the departments of the Government, in regard to those classes of disorderly gun-runners, and so on. There seems to be a more energetic accord to what the press will say to the action taken in running down and putting an end to that class of traffic which I am very glad to see.

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Senator SMITH. Do you know of any specific instance where the United States Government has permitted or encouraged the furnishing of arms to any rebellion against the Carranza Government?

Mr. SULLIVAN. No; I can't say that I know of the Government.

Senator SMITH. Do you know of any specific instance, then, where the Government is at fault in the matters of which you complain?

Mr. SULLIVAN. No, sir; not the Government. It is only through the smugglers, you know, and through those underhanded methods of getting stuff across the border.

Senator SMITH. How long have you lived in Mexico?

Mr. SULLIVAN. About 20 years, 1888 up until the forepart of 1910.

Senator SMITH. Whereabouts?

Mr. SULLIVAN. I lived in Gomez Palacio, State of Durango, about 15 years, and then in Torreon, Coahuila, about 5 years.

Senator SMITH. What first took you to Mexico?

Mr. SULLIVAN. I went there in the interests of the cotton seed oil mills and soap fatcories, that is the line I have been in in Mexico exclusively, altogether.

Senator SMITH. Ever since?

Mr. SULLIVAN. Yes, sir. When I moved out of there—I have been out for some few years, but I made a little money, like some of them did, because the field was ripe, you know, the field was new in supply, and being an expert on those lines myself, the people that I was connected with, Mr. Belden of Monterrey, and the Terrazas, of Chihuahua City—Mr. Belden of Monterrey, and the Terrazas people of Chihuahua—so I made a little money, and I invested down there in properties, like a great many people, a part of my savings, etc., and they are there to-day, and I feel the effects very much, as well as other people, notwithstanding my great desire was to see if we could not do something to give the present people an opportunity to reestablish peace.

Senator SMITH. I understand you had property there and that you desired, like everybody else in any country, having an interest in it either financially or a moral, psycological interest, that you wanted peace in the country?

Mr. SULLIVAN. That is, of course, what all law-abiding citizens naturally should want.

Senator SMITH. You naturally feel that. And your property is still there?

Mr. SULLIVAN. Yes, sir.

Senator SMITH. What is it?

Mr. SULLIVAN. It is real estate.

Senator SMITH. Is it city or country?

Mr. SULLIVAN. City property at the present time. I have had some properties, had stock in some of the companies, I had some stock in an oil company but I disposed of that years ago.

Senator SMITH. Why did you leave Mexico?

Mr. SULLIVAN. I was getting up in years, and I had a family of small children on my hands, and I thought San Antonio was a good place to take them. I was manager of the Lowe Union Works, in Durango, and superintendent 15 years of another works in Gomez. I moved here for the purpose of educating my children. I looked upon it in as bright a light as I could, wanted it fair and square, and

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I would like to see, as I stated, my idea was, after Mr. Wilson, as I understood it, had recognized the Carranza government, I believe in giving him a chance to do what they could in order to reestablish peace in Mexico. I think that Carranza, personally——

Senator SMITH. I think we all coincide with you in that.

Mr. SULLIVAN. I think Carranza, personally, is a man of undoubted patriotic character; of a high ideal.

Senator SMITH. You do not know him personally?

Mr. SULLIVAN. You will understand that——

Senator SMITH. Then you do not know him personally?

Mr. SULLIVAN. Only to see him; I have never spoken to him.

Senator SMITH. Your opinion of Mr. Carranza's character is not a matter for the committee to take much note of.

The CHAIRMAN. I, as one of the members, would be very glad to have it.

Senator SMITH. You will pardon me, mine was merely to get an insight into your relations there, and how long you had been there, and the purpose of your leaving, and I intruded on my colleague's examination for the purpose of gratifying my own curiosity in that particular.

The CHAIRMAN. And your colleague is under obligations to you.

Mr. SULLIVAN. I desire to state, Mr. Fall, I have known of Mr. Fall for a great number of years, in Mexico, I knew his brother Phil, a very fine boy in those days, I have not seen him for a long number of years, he was a very good friend of mine in Chihuahua, I have not seen him for a great many years, I have some very pleasant recollections of him, however.

The CHAIRMAN. Mr. Sullivan, this committee of course proceeds upon the theory that every man who appears before it, is either under subpoena, or voluntarily, and we are glad to have all who may help us in our investigation, particularly when we proceed upon the theory that every man is in perfect good faith, and in the questions which may be propounded to you—which already have been propounded and which may be propounded to you, we are proceeding upon the good faith and upon the assumption that you are in perfectly good faith.

Mr. SULLIVAN. I hope to be; yes, sir.

The CHAIRMAN. At times it may appear that the committee is rather resentful of some intimations that the committee may not be proceeding in good faith. Now, you do not know then that upon the declination, the official declination of President Wilson to recognize the Huerta government, that he issued a proclamation prohibiting the exportation of arms and ammunition to that government?

Mr. SULLIVAN. I have read, Senator, on, I think, several times where there has been orders issued by some of the departments of the Government, I don't know whether it was Mr. Wilson or not, where the prohibition of the importation of arms to Mexico had been prohibited.

The CHAIRMAN. I mean to Huerta?

Mr. SULLIVAN. No, sir.

The CHAIRMAN. The Huerta government?

Mr. SULLIVAN. No, sir.

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The CHAIRMAN. Do you know at that time, that by the same proclamation and orders issued to the military and other authorities that this Government allowed arms and ammunition to go across the border to Carranza and his revolutionary forces?

Mr. SULLIVAN. Well; I could not just exactly say, but I am under the impression they did allow them to go across.

The CHAIRMAN. Now, have you ever heard of any order allowing arms and ammunition to go to Mexico since October 19, 1915?

Mr. SULLIVAN. Well; since October, 1915, that is a different government.

The CHAIRMAN. That was, this date Mr. Carranza was notified he would likely be recognized by this Government as the de facto chief of Mexico.

Mr. SULLIVAN. No; I couldn't say—that is, as coming from the Government I couldn't say.

The CHAIRMAN. Now, it is not my purpose to go into details, but I may inform you that it is a matter of record which you can easily ascertain from the offices here, the collector of the port, and Army Intelligence, and others here in San Antonio, that the policy of this Government generally, until very recently, has been to allow Mr. Carranza, at least from time to time, to secure arms and munitions and supplies, necessary supplies, from across the border, from this country, but has universally and absolutely deprived any one else in Mexico of such facilities; that the Government has in fact assisted up until recent date Mr. Carranza in securing arms and munitions and necessary supplies, and has prohibited the exportation of arms and ammunition or necessary supplies to any one in revolution against Mr. Carranza.

Mr. SULLIVAN. The Government has done that?

The CHAIRMAN. Yes, sir; that is a matter of public record you can ascertain from the Army officials, intelligence department, the customs officers, collector of port, and other officials.

Mr. SULLIVAN. Of course, that wasn't my contention, Senator. The idea was this: As I say, there was a great deal of lawlessness on both sides among the irresponsible classes on both sides of the river, trafficing in ammunition and supplies of that sort. My idea was that the Government ought to use more vigilance, more strenuous laws, even though it would cause possibly a struggle.

The CHAIRMAN. Do you know what military forces the Government of the United States has maintained along this border now for years, and is maintaining at present?

Mr. SULLIVAN. I couldn't say, Senator. I know at the present moment it has considerable; to what extent I don't know, but at the present moment it is considerable. A few years ago, though, I don't think it was very strong.

The CHAIRMAN. Do you know what instructions the military authorities and the military forces along this border have had from this Government with reference to the exportation of arms and munitions?

Mr. SULLIVAN. No; I am not posted on that.

The CHAIRMAN. Have you any idea what the cost has been, the approximate cost of the maintenance of the military forces along this border, to this Government?

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Mr. SULLIVAN. I presume it is very heavy.

The CHAIRMAN. What would be your guess about the amount?

Mr. SULLIVAN. Well, I presume it would be, along the border, it would be probably a couple of million dollars a year.

The CHAIRMAN. And that in, say, five years, $2,000,000 a year, would amount to about $10,000,000.

Mr. SULLIVAN. Yes, sir; it would.

The CHAIRMAN. Would you be surprised if you were informed now that from as accurate sources as we have been able to reach, I mean governmental records, that the cost has been $1,500,000,000 to the taxpayers of the United States?

Mr. SULLIVAN. To maintain the force on the frontier?

The CHAIRMAN. Yes, sir.

Mr. SULLIVAN. In 10 years, did you say?

The CHAIRMAN. During the revolution, since we first placed the forces here.

Mr. SULLIVAN. How much was that?

The CHAIRMAN. One billion and a half, approximately $1,500,000,000, which the people, the taxpayers, of the United States had to pay.

Mr. SULLIVAN. Well, that is a pretty good sum.

The CHAIRMAN. Now, provided the purpose was largely, in addition to protecting our citizens from raids across the border, was largely to prohibit the very things which you have referred to—that is, aid and assistance going to the revolutionary forces in Mexico—if that was the purpose, would you not consider that rather a substantial contribution by Mr. Wilson to the Carranza government?

Mr. SULLIVAN. Well, that would be, in that light, it would be a very strong effort indeed to overcome the troubles.

The CHAIRMAN. Now, Mr. Sullivan, I think that I stated to you that you can ascertain these facts from the records and from the border. I think possibly Gen. Dickman and Gen. Howard at El Paso might give you some information. I have reason to think that they would not hesitate to give you any reasonable information along those lines, and that the collector of the port here, and other officials, would be glad to give you information which would possibly correct some of the impressions under which you were laboring when you wrote this letter.

Mr. SULLIVAN. Of course, as I say, the idea of mine was to eliminate those troubles, if there was some legitimate way to do it, because I believed that the Mexican people themselves, as I stated, are a proud people, and that they would resent any move, you know.

The CHAIRMAN. What is your idea about the American people, do you think they have any pride?

Mr. SULLIVAN. They generally always had quite a lot of pride. I mean—I was figuring on, as I stated in my article, about the intervention, that the San Diego raids down here and those border raids, I believe, was along about the time our soldiers went into Mexico at Vera Cruz, and I believe the people in that country at the time were strongly of the impression that their country was going to be grabbed from them; they naturally flew to pieces and thought possibly that the aid of a lot of ambitious malcontents helped to urge them along.

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The CHAIRMAN. Let us see whether your opinion is correct. Do you remember the date of the landing at Vera Cruz?

Mr. SULLIVAN. No; I don't, Senator, just exactly. I can't say I do remember the date; I never kept much track of dates of things.

The CHAIRMAN. Would you be surprised to know that it was approximately a year before the first raids or before the plan of San Diego was mentioned?

Mr. SULLIVAN. That our soldiers went to Vera Cruz?

The CHAIRMAN. Yes.

Mr. SULLIVAN. I thought it was along about that time.

The CHAIRMAN. You were writing in August about the conditions, the constant improvement of conditions in Mexico, and you learned of Mexico largely around Torreon, your experience there?

Mr. SULLIVAN. Yes, sir.

The CHAIRMAN. What was your information as to the general conditions in and around Torreon and the district north of Torreon and accessible to Torreon by the railroad at that time and a few months prior thereto, as to law and order and as to improvements in conditions?

Mr. SULLIVAN. Prior to——

The CHAIRMAN. Before your letter here in August?

Mr. SULLIVAN. Oh, I see, in August, well along about that time, that would be the last of August, conditions in that laguna country, from all the sources of information I could find through our daily press of here and persons I saw coming out of Mexico, some of my American friends, things were picking up rapidly, and the dependency seemed to be among the best people that conditions were readjusting themselves very rapidly; in fact, they were anxious to see them readjusted; people were more than anxious: it was on their minds to help them along, to see that the readjustments were made, that was along the latter part of July, and there was some, a couple of my friends were up here; Mr. Fletcher, from Torreon; he is in Torreon now in the lumber business, I believe, and he spoke of things picking up very well.

The CHAIRMAN. And it was upon such information that you so stated in your letter to the House committee?

Mr. SULLIVAN. Yes, sir.

The CHAIRMAN. Do you know, or did you know at that time, the American consul at Torreon?

Mr. SULLIVAN. No; I don't know him, Senator.

The CHAIRMAN. Do you know the acting consul, consular agent at Torreon in the absence of the American consul?

Mr. SULLIVAN. The only one there that was important—that was George Carruthers.

The CHAIRMAN. Yes; he was consular agent prior to the Madero régime.

Mr. SULLIVAN. Yes, sir.

The CHAIRMAN. Did you know Mr. Lathrop, the American vice consul?

Mr. SULLIVAN. No, sir; I didn't know him.

The CHAIRMAN. Do you know it was the custom of the Federal agents of the American Government in Mexico to report directly to the State Department at regular periods as to the conditions in their district?

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Mr. SULLIVAN. Well, I presume it is.

The CHAIRMAN. Now, Mr. Sullivan, here is the point: You have given your impression upon the information coming to you and you have sent it directly to the committee of the House, in Congress—the Rules Committee—which at that time was conducting certain hearings. Now, suppose that the departments of the Government and the House committee had information officially that led them to believe that the statements you made were possibly, of course, made in good faith, but were possibly made without understanding exactly the circumstances, then you would not criticize the House committee for not inviting you before them?

Mr. SULLIVAN. No; naturally I couldn't.

The CHAIRMAN. Now, I want to call your attention to the report from Mr. Lathrop, the American vice consul at Torreon, Coahuila, Mexico, of June 23, 1919, from the American consulate, made to the honorable the Secretary of State, Washington, D. C., who, as you know, is Mr. Lansing, speaking of the political conditions in the Torreon district. As I say, we presume the good faith of everyone coming before the committee and certainly we presume good faith of the American officials—naturally that seems to be in the minds of some people a very violent presumption—this committee still has the temerity to engage in it. I am only going to call your attention to some of the portions of this letter, and some others I am not; ordinarily I would not make public the report at all.

In the northern part of the State of Zacatecas—

Mr. Lathrop reports—

there is only two American properties of note. One a mining property at Chalchihuites and the other a large ranch of the Continental Mexican Rubber Co., located at Cedros. Both of these properties have been raided several times within this year and the latter company has repeatedly requested that the Mexican Government afford at least a degree of protection. So far only many unfulfilled promises have been made. The topography of this State is very much like that of Durango. The banditti in this State have been very active recently, they having approached to about 40 miles south of Torreon, where they have succeeded in cutting the railroad line between here and Mexico City twice within the month.

The consulate does not consider that Torreon is in any immediate danger; and even in the case of an attack it believes that the Americans could be easily transported to points of safety, owing to the many lines of transportation that concentrate at this point. The great danger in Torreon is that any American venturing on the streets at night is subjected to the worst of insults and possible physical harm at the hands of any armed Mexican made bold by a good charge of "tequila." With reference to conditions in Torreon, reference is respectfully made to dispatch No. 85, dated April 27, from this office, and as a result of the Juarez incident it must be said that conditions have been aggravated.

A résumé may be stated in a few words: That the conditions under which Americans are laboring in this consular district are worse than they have been since 1915. The position held by American women at present in this district is respectfully recommended to the department's most earnest consideration.

The average Carrancista, from the grade of major general down, is extremely ignorant and probably more than 95 per cent of the present army are illiterate; and this ignorance is more than equaled by their proverbial cowardice, which is, perhaps, unequaled in the world. This is perhaps better proven by the consistency with which they avoid danger. No Carrancista officer ever thinks of wearing his uniform when traveling, except upon a military train. The present Government claims to have 21,000 men in the State of Chihuahua at present, a greater part of which are to be used against Villa, and the greatest proof of their cowardice is the fact that Villa is still alive and very active and his consistent successes at each and every point at which he strikes. The con-

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sulate has had exceptional opportunity to observe the troop movements north since the revival of Villa's activity in the north, and this coupled with other sources of information would tend to show that there are at present only about 9,000 men bearing arms. These forces are composed of very old men and very young boys and are very low in morale. They are not serving in the army from any act of patriotism, but only because their laziness and ignorance bars them from any other line of endeavor in which they might earn an existence. This all points to the fact that no matter what guard may be stationed at any point it would not afford any commensurate degree of safety for Americans that might be resident at that point.

I have the honor to be, sir,

Your obedient servant,

ED LATHROP,
American Vice Consul in Charge.

Now, you had no idea that the Government of the United States was receiving such official reports as this when you wrote this letter to the committee, had you?

Mr. SULLIVAN. No, sir; I didn't have any idea of that, Senator. It was only written from this which I got from those that were coming out, some of my friends that were there in business.

The CHAIRMAN. And they are still there?

Mr. SULLIVAN. Yes; they are still there.

The CHAIRMAN. And you find every American who comes out of Mexico, who is doing business in Mexico, is inclined either to suppress the facts, or to put as good face upon it as possible, isn't that your experience?

Mr. SULLIVAN. Of course, naturally a man would want to.

The CHAIRMAN. I hope the committee have not jeopardized the safety of the acting consul, as the safety of one who has recently been jeopardized in Mexico, by giving his official report to the committee. Matters are being possibly expressed on the one hand by the committee and other matters may be exaggerated before the committee; that is our only excuse. Now, Mr. Sullivan, you don't—with reference to de la Barra, you stated that Huerta had been eliminated and de la Barra also eliminated. You don't mean to say that the Government of the United States had anything to do with the elimination of de la Barra?

Mr. SULLIVAN. No.

The CHAIRMAN. Nor aid in the revolution?

Mr. SULLIVAN. No, sir.

The CHAIRMAN. He simply by common consent of Madero and his associates and the other Mexicans, was president ad interim, from the abdication of Diaz until the subsequent election and inauguration of Madero?

Mr. SULLIVAN. Of Madero; yes, sir.

The CHAIRMAN. Now, then, in view of what has been stated to you here, and of your own statements, did you not think that this Government has given Mr. Carranza a fair chance in Mexico?

Mr. SULLIVAN. Well, Senator, you know I would not be in a position to say that right now, I want to be fair about it.

The CHAIRMAN. And positive, of course?

Mr. SULLIVAN. And positive. All my desires in the world was that the stated government as it exists to-day would be given every facility to make good. If they could not make good, then it was time to take action in order to overcome every other trouble and every other delusion—if there was any possibility to get things readjusted.

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The CHAIRMAN. Now, you have said that in your judgment Mr. Carranza was a patriotic man and was a man of high ideals?

Mr. SULLIVAN. From all that I ever saw through the papers in regard to his utterances, a man of his age and a man of his experience, and what I have seen, certain statements he made, or written or said in the newspapers, led me to believe Mr. Carranza was a man of a serious nature; a man, I believed—I thought at the time he was a man you could approach if you had a case, if you were unjustly treated, he was a man who would give you every fair consideration.

The CHAIRMAN. Well, do you not think that that character of man would feel some degree of gratitude to the country which had through its expenditure of blood, and at Vera Cruz, through its expenditure of millions of dollars, through its expenditure of a billion and a half in first getting him in and recognizing him in the office he held as President, then keeping him there at an enormous expense to themselves, do you not think a man of the character whom you mentioned would have some little feeling of gratitude to the people of this country, or at least, to the President of this country?

Mr. SULLIVAN. Naturally, I should think so.

The CHAIRMAN. What would you think if you knew that that man was now and had been persistently engaged in the effort in his own country, and particularly throughout other Latin-American countries, persistently engaged in an effort to make those people look with contempt upon the President of the United States, the man who placed him in office?

Mr. SULLIVAN. It doesn't hardly look reasonable.

The CHAIRMAN. Will you accept Mr. Carranza's denial that he had been engaged in such efforts, in the face of the statements of this committee that they have official, accurate, photostatic, photographic copies and originals of Mr. Carranza's letters to that effect?

Mr. SULLIVAN. Well, recognized by Mr. Carranza, you say, himself?

The CHAIRMAN. No, sir; I say, if he denied that we had such evidence, will you accept his denial rather than the statement of this committee that they have in their possession, and the departments of this Government have in their possession, such evidence as I have stated?

Mr. SULLIVAN. Well, I hardly know how to proceed upon that; that is a kind of a complicated question with me.

The CHAIRMAN. Well, that has been a matter of publicity, also, Mr. Sullivan; for example, one of the Mexico City daily papers has within the last 30 days called upon Mr. Carranza to make denials of the authenticity of a letter which I am going to read to you, which is one of the letters along the line that I have discussed with you.

Mr. SULLIVAN. Yes, sir.

The CHAIRMAN. In so far as this committee is informed, Mr. Berlanga shrugged his shoulders, and the question was then propounded by the paper directly to Miss Hermila Galindo, to know whether the letter I am going to read to you was authentic. [Reading:]

MEXICO, D. F., *June 29, 1919.*

MISS HERMILA GALINDO,
Ignacio Ramirez Street, No. 6, City.

ESTEEMED YOUNG LADY: It is necessary that your book, The Carranza Doctrine, be finished in a short time, since I desire that you immediately proceed

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to write a second part of it, for which purpose I shall shortly send you a Blue-book, which we are about to publish, and which will serve to justify the attitude of my Government in its systematic hostility toward foreign speculators, especially Americans and English.

Do not forget my injunction to describe in lively colors the tortuosity of the American policy with relation to our country, causing the figure of Wilson to stand well out as the director of that policy. I also enjoin you to be very careful about the corrections which I have made in the original (manuscript) which you brought me.

I salute you affectionately,

V. CARRANZA.

Do you not think that is an evidence of the proper meaning or feeling from Mr. Carranza to Mr. Wilson?

Mr. SULLIVAN. It doesn't hardly seem possible that Carranza would be so indiscreet.

The CHAIRMAN. Then you would only criticize him for his indiscretion and not for the sentiment he uses?

Mr. SULLIVAN. It looks to me impossible for him to be so indiscreet, for him to write an article of that kind, in view of the fact that he would be writing it against a power like ourselves; it would only be a breakfast for our country; you see, of course, Mexico is only a child; it wouldn't be a baby.

The CHAIRMAN. Then you think there might be some reasonable doubt as to the authenticity?

Mr. SULLIVAN. I wouldn't want to state on that.

The CHAIRMAN. I may say to you, sir, positively, from my own information, that the President of the United States has no doubt of the authenticity of the letter—he has received it—he knows it. I am not going to call your attention at this time to other letters along the line, but I may say to you, sir, that this blue book which Mr. Carranza refers to, is in the possession of the committee, although when transmitting it to Miss Galindo he states it must not go out of her hands, and it is only for very private circulation. That blue book was for anti-American doctrines in so far as to justify his action in all matters, and showing he is the one man in Latin America who stands against the United States Government and dares to offer them only affronteries of every character between this Government and his Government. He has successfully pulled the wool over the eyes of the Mexicans. That is the general purpose of it. I may say to you, sir, that this letter is only one of a series, the authenticity of which you, nor no other man could doubt at all, if you are an American; you would be simply taking the bare word of the writer. of the letter, or those receiving it, as against the absolute, uncontrovertible record facts.

You left Mexico at the time of the outbreak of the Madero troubles?

Mr. SULLIVAN. Yes, sir.

The CHAIRMAN. You took out what money you could get, sold your stocks and what property you could, and left your real estate and came out?

Mr. SULLIVAN. In fact, I left most of it down there. I have got my home here in San Antonio.

The CHAIRMAN. You left your real estate?

Mr. SULLIVAN. Yes, sir.

The CHAIRMAN. You state you made money there, and sold your stocks and other property, sold all but your real estate?

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Mr. SULLIVAN. Yes, sir.

The CHAIRMAN. You left that there?

Mr. SULLIVAN. Yes, sir.

The CHAIRMAN. You came out with the balance?

Mr. SULLIVAN. Yes, sir.

The CHAIRMAN. You haven't returned to live there since that?

Mr. SULLIVAN. No, sir.

The CHAIRMAN. Do you know the Mexican Consul here?

Mr. SULLIVAN. I called on him in July or August at the time I wrote this thing, to ask him for certain information in regard to it.

The CHAIRMAN. You haven't seen him since?

Mr. SULLIVAN. I saw him a few days ago, I called on him again.

The CHAIRMAN. Just a very few days ago?

Mr. SULLIVAN. Yes, sir.

The CHAIRMAN. Did you have a conversation with him at that time with reference to what this committee was doing?

Mr. SULLIVAN. No, sir.

The CHAIRMAN. Didn't mention the committee, or the effect of the committee's work?

Mr. SULLIVAN. No, sir.

The CHAIRMAN. Did he mention to you at that time his impression that this committee was attempting to suppress facts with reference to Mexico in its investigation?

Mr. SULLIVAN. No, sir; he didn't, Senator; he never even mentioned the committee. When I called on him some days ago it was in connection with this earthquake in Vera Cruz, oh, several days after the earthquake took place. There didn't seem to be any action, and I thought it was a sort of a humane act to make contributions to those more unfortunate down there, and I called upon him and asked him what his opinion was, and he said it was all right, and he said in his official capacity he couldn't take any action.

The CHAIRMAN. You had then no conversation with him in which either you or he or any of his employees or anyone else in the presence of the two of you mentioned or discussed the fact that the San Antonio Express, and the San Antonio Light, or the San Antonio papers here might be interested in their publication of news by the activities of this committee in any way?

Mr. SULLIVAN. No, sir; never mentioned anything like that whatever at all.

The CHAIRMAN. Now, you say that Mexico, in your judgment, could repay the United States any amount of money, reasonable amount, which we might advance to Mexico for her financial recuperation?

Mr. SULLIVAN. In this way, I say that under the—through the constituted government of that country, and through the federal rights, through their federal mineral rights, as per their constitution, I understand the old constitution and the new—they could give a guarantee for the redemption of the money they would borrow.

The CHAIRMAN. Yes, sir; about how much guarantee do you think they could give?

Mr. SULLIVAN. Well, it would all depend, of course, upon the natural resources of the country, just as you might——

The CHAIRMAN. You must have, in view of this statement, you must have some idea of the national debt which Mexico could assume

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and upon which it could pay interest, and for the final repayment of which it could use a sinking fund out of which it could be paid.

Mr. SULLIVAN. It possibly could, but other than what I would figure—I was under the impression that $500,000,000 would be amply sufficient to cover the requirements to do the work that could be done, if it was done.

The CHAIRMAN. Do you think that would be about the amount Mexico could reasonably assume and pay?

Mr. SULLIVAN. Yes, sir.

The CHAIRMAN. Do you happen to know what the present external debt of Mexico is?

Mr. SULLIVAN. No; I couldn't say; I think it is about five or six hundred millions, maybe seven hundred millions.

The CHAIRMAN. Then, she is about up to her limit, isn't she, without five hundred millions additional?

Mr. SULLIVAN. I am figuring upon the natural resources over and above that, what the indemnities would be to persons——

The CHAIRMAN. I am not referring to indemnities at all; I have not mentioned indemnities.

Mr. SULLIVAN. Oh, I thought you were referring to that; that is what I was determining my estimate on—was about five hundred millions over her present obligations.

The CHAIRMAN. Five hundred millions in addition?

Mr. SULLIVAN. Yes, sir.

The CHAIRMAN. Then, you would say, in your judgment, Mexico could assume and discharge an indebtedness of over a billion dollars?

Mr. SULLIVAN. Yes, sir.

The CHAIRMAN. You haven't read the hearings before this committee, have you, as they have been printed and sent out?

Mr. SULLIVAN. No, sir.

The CHAIRMAN. You have never had your attention called to the testimony of Mr. Lill, who was the financial expert, testifying that he went to Mexico and audited the books and established a system of auditing which has been in force up to a short time since—went there from the United States for that purpose?

Mr. SULLIVAN. For the Government there?

The CHAIRMAN. Yes, sir.

Mr. SULLIVAN. No, sir; I have not. I did see a short time ago—about a week or 10 days ago I saw in the evening paper here, I believe, there was some auditor sent from Washington, or some place in the country, was down in Mexico.

The CHAIRMAN. You didn't read his testimony?

Mr. SULLIVAN. I didn't read it.

The CHAIRMAN. You might secure it easily enough by writing to Washington, a copy of all of these hearings, including a copy of Mr. Lill's testimony upon that subject.

Mr. SULLIVAN. Who could I get that from?

The CHAIRMAN. By sending to my office at Washington, D. C.

Mr. SULLIVAN. No; the only thing was I say, was simply to try to give everybody a square deal, those who have suffered and everybody else.

The CHAIRMAN. Presuming, of course, as we do, that your statement is entirely correct, upon what do you found, upon what information do you found your assertion, as contained in this letter, of certain

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special interests in the United States seeking to bring about armed intervention and war with Mexico?

Mr. SULLIVAN. That was from the general talk among what you hear on the street, from Mexicans and Americans and everybody alike, the prevailing impression was that it was the oil interests, the Tampico oil interests, it was desirous to fetch about a condition there of intervention in order to eliminate a great amount of their taxes, I presume, or to get control of more territory, under the general assumption that the oil companies were the ones that were agitating the intervention question.

The CHAIRMAN. You state that is your information upon that subject, was from street talk?

Mr. SULLIVAN. Yes, sir; it is generally.

The CHAIRMAN. In your letter to the Committee on Rules you set out the fact, "I have seen some agitation started for some interests in the United States, and that your honorable committee is now making an investigation in reference thereto, in regard to conditions in Mexico." Then you go on to speak of special interests who desire intervention in Mexico. Now, it is just upon such information that you base your statement?

Mr. SULLIVAN. Yes, sir.

The CHAIRMAN. And nothing else?

Mr. SULLIVAN. Nothing else.

The CHAIRMAN. I want to say to you, Mr. Sullivan, the committee expect to leave here to-night. We proceed to El Paso, where we will stop and resume our hearings within three or four days; that we expect to proceed from El Paso to other points along the international border before returning to Washington.

The committee will be under everlasting obligations to you if you will furnish them with any information of any kind, not street talk, but any possible information which may lead to any special interests or interest of any kind, oil or otherwise, who are agitating or seeking to have the people of the United States to intervene with armed force in Mexico for their special benefit. Now, you can reach us at any time, and if we have departed from the border, you can reach us at any time in Washington, and if you can get any such information as that I assure you it will be welcome and treated with exactly the same respect and in exactly the same way as any information to the contrary.

Mr. SULLIVAN. Well, anything that I can possibly find I shall be only too pleased to advise you at your office in Washington.

The CHAIRMAN. I want to ask you, having heard read the instructions under which this committee is acting, residing in San Antonio, having obtained the knowledge in Mexico which you have obtained during the last 12 years, from reading the papers, presumably having read the reports, the papers containing the activities of this committee, do you think that the committee is exceeding in any way its authority?

Mr. SULLIVAN. No, no, no; I think the committee, as a committee, is along legitimate lines.

The CHAIRMAN. Do you think the committee is proceeding along the lines—along proper lines; have you heard of the committee attempting to suppress or refusing any testimony which has been offered?

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Mr. SULLIVAN. No; none whatever.

The CHAIRMAN. Do you think that the committee has displayed any prejudice or bias in its hearings in any way?

Mr. SULLIVAN. Not with me they have not.

The CHAIRMAN. Have you——

Mr. SULLIVAN (interrupting). Not with anybody.

The CHAIRMAN. Do you gather from the press that the committee has been proceeding fairly and impartially under their instructions?

Mr. SULLIVAN. No, sir; that is all right.

Senator SMITH. There is a question or two that I want to ask. I am speaking now from knowledge. Do you know of any act of our Government at any time or place that was calculated to be or was in aid of any rebellion against the Carranza Government?

Mr. SULLIVAN. No; I could not say that, Senator. I haven't—as I just stated to Senator Fall—I have no knowledge whether the Government has done anything like that whatsoever.

Senator SMITH. Do you know of any particular case where the Government of the United States has failed to aid the Carranza Government in establishing and maintaining law and order?

Mr. SULLIVAN. No; I couldn't say that I know of any case where they have failed to do it; I couldn't say that. My contention was in regard to using greater effort in order to overcome the smuggling of ammunition across.

Senator SMITH. Do you know whether or not steps have been taken by the Carranza government to forfeit these oil properties of which you speak, and the many of the American landed estates in the Republic of Mexico?

Mr. SULLIVAN. To forfeit those properties, you say?

Senator SMITH. Yes.

Mr. SULLIVAN. No; I could not say that I do. The only thing I saw in the papers was in regard to—the dispute seemed to always range along the question of taxation.

Senator SMITH. I don't care so much about the papers now; I am trying to get away from the reports of the newspapers, down to what you actually know. Do you know whether or not the Carranza government has issued certain orders under what they call article 27, and under the constitution it is tantamount to the absolute forfeiture of these American estates.

Mr. SULLIVAN. I saw something in print the other day; I believe was the first time I ever saw it.

Senator SMITH. Then, you knew of none of these acts after the action of our Government toward Mexico; you knew of none of the acts to which I have alluded on the part of Mexico showing any animosity against the United States, its citizens, or the purpose to confiscate the properties of American citizens?

Mr. SULLIVAN. I didn't catch that, quite, Senator.

Senator SMITH. Read it, Mr. Stenographer.

(Thereupon the reporter read the question, as follows:)

Senator SMITH. Then, you knew of none of these acts after the action of our Government toward Mexico; you knew of none of the acts to which I have alluded on the part of Mexico showing any animosity against the United States, its citizens, or the purpose to confiscate the properties of American citizens?

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Mr. SULLIVAN. I have no knowledge, no official knowledge, of any attitude whatever.

Senator SMITH. That will do.

The CHAIRMAN. Just one other question touching your impression as to Mr. Carranza. I presume from your statement as to your judgment as to his high idealistic character and patriotic motives you believe that he led the revolution against Huerta purely from such motives?

Mr. SULLIVAN. Yes, sir.

The CHAIRMAN. You have not had your attention called to an official report as to his attitude, made on February 21, to the Department of State of the United States Government—made on the 21st day of February, 1913, by the official representative of the United States Government in Mexico, from Saltillo, to the Department of State with reference to his attitude toward Huerta?

Mr. SULLIVAN. Only what I saw in print in the last couple of weeks, that he was put in to get the recognition of the Huerta government, I believe; something to that effect.

The CHAIRMAN. Did you see what purported to be a copy of the telegram which I will now read to you, dated Saltillo, February 21, 1913; marked "Received February 22, 1.22 p. m.":

FEBRUARY 21—1 P. M.

SECRETARY OF STATE,
Washington, D. C.:

Gov. Carranza has just announced to me officially that he will conform with the new administration at Mexico City. All opposition here abandoned. Railroads will be opened at once. Perfect quiet prevails. Embassy advised.

HOLLAND.

Mr. SULLIVAN. Mexico City?

The CHAIRMAN. No, sir; it is from Saltillo, where Mr. Carranza was at that time.

Mr. SULLIVAN. He was then governor of Coahuila, was he?

The CHAIRMAN. I just asked if you had had your attention called to this telegram in official report to the Department of State?

Mr. SULLIVAN. No, sir.

The CHAIRMAN. You have not had your attention called to a telegram, the original of which I have a copy; duplicate copy of which is in the possession of the committee; the translation of which reads as follows:

MARCH 1, 1913.

Received in Saltillo from Gov. V. Carranza. You are directed to advise us for what purpose you took 50,000 pesos from the bank, in view of the fact that this Government is not informed of this matter.

VICTORIANO HUERTA.

SALTILLO, *February 22.*

Mr. SULLIVAN. In Saltillo?

The CHAIRMAN. I want to ask whether, in view of these telegrams and the authenticity of these telegrams, whether you might not judge that the telegram of March 1 from Victoriano Huerta, calling Carranza to account for the 50,000 pesos which he took from the bank, possibly influenced him in adopting a different course from that which he assumed to the officials of the United States, from that which he had announced he would adopt?

Mr. SULLIVAN. Well, I don't know.

The CHAIRMAN. That is all.

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TESTIMONY OF H. J. WALLIS.

(The witness was duly sworn by Dan M. Jackson, Esq., clerk of the subcommittee, duly authorized thereto.)

The CHAIRMAN. Of what State are you a native, Mr. Wallis?

Mr. WALLIS. Texas.

The CHAIRMAN. Texas?

Mr. WALLIS. Yes, sir.

The CHAIRMAN. Where were you in 1915?

Mr. WALLIS. I was on the train going to Brownsville.

The CHAIRMAN. And about what was the date of that trip of yours?

Mr. WALLIS. On the 18th day of October.

The CHAIRMAN. Did you recognize anyone else on the train at that time, Mr. Wallis?

Mr. WALLIS. Yes, sir.

The CHAIRMAN. Who were on the train with you?

Mr. WALLIS. A drummer by the name of Wright and John Kleiber, district attorney and Dr. McCain, and there were some more on there, but I can not recall their names that I know of.

The CHAIRMAN. Any soldiers there?

Mr. WALLIS. Yes, sir; three soldiers possibly; I heard their names since, but I did not know them personally at the time.

The CHAIRMAN. What, if anything, out of the ordinary, occurred on that train at that time?

Mr. WALLIS. Why, the bandits held it up and wrecked the engine, came in and robbed the passengers and killed some of them, killed Dr. McCain and a soldier, and the engineer was killed by the engine, and several wounded.

The CHAIRMAN. Anything happen to you?

Mr. WALLIS. Yes, sir.

The CHAIRMAN. What?

Mr. WALLIS. I was shot. I was hit five times.

The CHAIRMAN. Have you any evidences of your wounds now?

Mr. WALLIS. Yes, sir.

The CHAIRMAN. What are they?

Mr. WALLIS. They shot one finger off here, broke my arm up here, shot me across this finger here, just a little flesh wound here where the bullet went across. He shot me twice in the leg.

The CHAIRMAN. The principal injury was in your left arm?

Mr. WALLIS. Yes, sir; you see I can't use it hardly.

The CHAIRMAN. Is the condition of it such now that it is practically useless to you?

Mr. WALLIS. Yes, sir.

The CHAIRMAN. Where were you when you were shot?

Mr. WALLIS. When the first shots were fired, when the Mexicans came in and peeped in the door, I didn't see the Mexicans come to the door when the train stopped, and he came in, and he would jerk his head back again, and I was standing right straight in the aisle with this hand up on the seat [indicating] and this hand down by my side [indicating]. About the first shot that was fired when they came in, they hit this finger.

The CHAIRMAN. That was your left finger?

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Mr. WALLIS. That was my left hand; yes, sir. Then three more fellows came in behind that fellow that rushed in the car; then they went to shooting, and two more fellows went to shooting at me, and one bullet went across this finger.

The CHAIRMAN. That was the middle right finger?

Mr. WALLIS. Yes, sir.

The CHAIRMAN. Were you armed?

Mr. WALLIS. No, sir.

The CHAIRMAN. Did you make any demonstration toward defending yourself in any way?

Mr. WALLIS. No, sir; I just asked the second fellow, I says, "Don't do this." I says, "we are friends, we have been friends." He was a Mexican that I knew.

The CHAIRMAN. You knew him.

Mr. WALLIS. Yes, sir. And he didn't pay any attention to me, and he hollered to the first fellow that was in front of him to look out for the soldiers. I fell down—then they shot this other fellow. There was two more fellows behind him, and they shot at me, and hit me in the leg.

The CHAIRMAN. That was your right leg?

Mr. WALLIS. Yes, sir.

The CHAIRMAN. And you fell?

Mr. WALLIS. I fell and they went on over me. I laid down in the aisle and they went right on over me shooting at the soldier boys. A soldier was down on his knees in the aisle. As I looked back he had both hands up this way, and I saw him fall over.

The CHAIRMAN. Was this soldier armed?

Mr. WALLIS. No, sir.

The CHAIRMAN. Had neither rifle or side arms?

Mr. WALLIS. No, sir.

The CHAIRMAN. Were either of the other soldiers armed?

Mr. WALLIS. No, sir.

The CHAIRMAN. Did you see Dr. McCain?

Mr. WALLIS. Yes, sir; Dr. McCain and I was sitting together at first, and Dr. McCain got up and, I guess, went to the toilet, and when they went over me I jumped up and opened the door and gets into the toilet with him.

The CHAIRMAN. That was after you had been shot three or four times?

Mr. WALLIS. Yes, sir; this finger was shot off and this shot across here [indicating], and shot twice in the leg. And after they got through ransacking the train, I could hear them, in Spanish, you know, throwing the grips out and talking to themselves out there. They came back and knocked on this door, they had the door shut, and there was a Mexican boy in there standing upon the lavatory, and as he knocked again the door kind of opened, and there was a light shown in there on this Mexican and they saw this boy on the lavatory, he couldn't see Dr. McCain and myself, and he reached up and catches this Mexican boy in the collar, and says, "What are you doing?" He said, "I am a Mexican; I am a friend of yours." He says, "Well, what are you afraid of?" He says, "We are not looking for anybody but the Gringoes, the Americans," and the boy was scared, he was down on his knees then, and he says,

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"Well, there is two behind the door." And I slammed the door to, and put the latch on with my right hand. Then he hit it again with the gun barrel and he couldn't knock it open. He fired two shots through the door, one hit Dr. McCain in the stomach and one hit me in the arm and broke my arm.

The CHAIRMAN. After robbing the train and doing this killing, wounding you and others, they left?

Mr. WALLIS. Yes, sir.

The CHAIRMAN. I think that is all, Mr. Wallis. Very much obliged to you.

The committee understand that this is all of the evidence which will be taken at the present hearing. Therefore the committee will take an adjournment subject to the call of the Chair.

(Thereupon, at 3.50 o'clock p. m. the committee adjourned to meet at the call of the chairman.)

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INVESTIGATION OF MEXICAN AFFAIRS

HEARING

BEFORE A

SUBCOMMITTEE OF THE COMMITTEE ON FOREIGN RELATIONS UNITED STATES SENATE

SIXTY-SIXTH CONGRESS.

SECOND SESSION

PURSUANT TO

S. Res. 106

DIRECTING THE COMMITTEE ON FOREIGN RELATIONS TO INVESTIGATE THE MATTER OF OUTRAGES ON CITIZENS OF THE UNITED STATES IN MEXICO

PART 9

Printed for the use of the Committee on Foreign Relations

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INVESTIGATION OF MEXICAN AFFAIRS.

WEDNESDAY, JANUARY 14, 1920.

UNITED STATES SENATE,
SUBCOMMITTEE ON FOREIGN RELATIONS,
Washington, D. C.

Testimony taken at Washington, D. C., January 14, 1920, by Francis J. Kearful, Esq., in pursuance of an order of the subcommittee of the Committee on Foreign Relations of the Senate.

TESTIMONY OF EDWARD FIELD HARVEY.

(The witness was sworn.)

Mr. KEARFUL. Will you please give your full name?

Mr. HARVEY. Edward Field Harvey.

Mr. KEARFUL. What is your place of residence?

Mr. HARVEY. My temporary residence in the United States is Philadelphia.

Mr. KEARFUL. What is your address in Philadelphia?

Mr. HARVEY. Susquehanna Road, Abington, Pa.

Mr. KEARFUL. What is your citizenship?

Mr. HARVEY. I am a Newfoundlander; I am a British subject, born in Newfoundland, and residing on this side of the Atlantic.

Mr. KEARFUL. What opportunities have you had to study conditions in Mexico?

Mr. HARVEY. During the last 12 years I have spent about five years in Mexico, divided fairly evenly throughout the 12 years. The longest period I spent in Mexico was one year; the shortest period about three months.

Mr. KEARFUL. In what business were you engaged in Mexico?

Mr. HARVEY. My first interest in Mexico was in mining. That was in 1908 and 1909. I dropped that and went into plantation and lumber business and railroad building in the tropical country, in the State of Campeche.

Mr. KEARFUL. What is the name of the company with which you are connected?

Mr. HARVEY. The Laguna Corporation, of Delaware.

Mr. KEARFUL. And what was the business of this company?

Mr. HARVEY. The business was the production of mahogany, chicle gum, rubber, cattle, and to some extent colonization.

Mr. KEARFUL. How many acres of land did this company have?

Mr. HARVEY. Approximately 650,000.

Mr. KEARFUL. About how many square miles would that be?

Mr. HARVEY. It is very nearly a thousand square miles; just about 1,000 square miles.

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Mr. KEARFUL. How was this land held? By what sort of title?

Mr. HARVEY. It was purchased for cash from various owners, original titleholders who had come by their titles mainly through heredity, I think; at least some of our titles dated back to the original grants of land.

Mr. KEARFUL. Did the company hold absolute fee simple title?

Mr. HARVEY. Absolute fee simple, and the titles were all registered in Mexico. We have a carefully arranged schedule of titles.

Mr. KEARFUL. Have you had occasion to observe the conditions existing under the different governments of Porfirio Diaz, Francisco Madero, Victoriano Huerta and Venustiano Carranza?

Mr. HARVEY. I think I have.

Mr. KEARFUL. How did you find conditions of the country as to economical and industrial situation in the time of Porfirio Diaz?

Mr. HARVEY. Industrially the country was growing very rapidly, developing very rapidly. At the time that I was in Mexico it seemed that a very large industrial boom was beginning and there was a great deal of new capital coming in. There was an undercurrent of lack of confidence through the age of Porfirio Diaz and the knowledge that he was becoming rather weak. And the question was frequently asked what would happen after Diaz passed away, and it was expected that he would die; that he would not be driven out.

Mr. KEARFUL. What was the attitude of the Mexicans toward Americans and other foreigners during that time?

Mr. HARVEY. Very favorable indeed. I think there was a great deal of respect and liking. What I saw of the relations were always pleasant. There was a good deal of friendship and good feeling. I heard at times of local jealousies and dislikes, but they never broke out at all, never showed themselves; and as far as my personal knowledge went I never saw anything that was not perfectly satisfactory. Sometimes Americans made themselves unpopular by being too aggressive. Mexicans do not like aggressiveness in their relations with other people. They like to conduct their business quietly. But otherwise everything was very satisfactory.

Mr. KEARFUL. You mean aggressive in their business methods?

Mr. HARVEY. Yes; their business methods, and especially in their attitude toward the Mexican workman, that he did not do work enough; that he was slow and was not able to do the work they would expect Americans to do. On the other hand, there were a great many men, probably a large number of men, who understood the Mexicans, and who did not criticize them to that extent. But when that situation did arise it caused a good deal of bad feeling.

Mr. KEARFUL. I suppose you have heard, as we have often, that the Americans and other foreigners are not entitled to consideration on account of injuries they have suffered in Mexico because they were engaged in exploiting the Mexican people to their own benefit and to the detriment of those people. What do you say about that?

Mr. HARVEY. Well, to be frank, I should say it was nonsense.

Mr. KEARFUL. What did you observe as to the effect upon Mexican people of the operations of foreign enterprise?

Mr. HARVEY. With the exception of some promotion projects which were in themselves unsound the general effect of American enterprise was to immensely improve the condition of the working people.

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Mr. KEARFUL. In what way did it improve their condition?

Mr. HARVEY. Well, it tended to draw them away from the agricultural pursuits when they were working with their old Spanish and Mexican taskmasters, who kept them in a state of peonage and debt, and placed them in a position to earn wages which were paid them in cash and enabled them to realize the value of money and to expend their money and gave them that independence which regular wages always will give.

Mr. KEARFUL. And did this enable them to escape the system of peonage?

Mr. HARVEY. It did, and very large numbers escaped. In fact, peonage was not very rife except in the strictly agricultural districts. In the mining districts there was no peonage practically; in the municipalities there was practically no peonage; and in the industrial sections, cotton districts, there was no peonage. In my own case, when I first went to Mexico we had some peonage, but the first thing we did was to educate our people out of it. Many of them did not want to get out of it. They had inherited the idea of peonage and wanted to remain, but in the course of five or six years we had practically eliminated peonage. At the time Madero made his proclamation eliminating peonage we practically had none in our district at all.

Mr. KEARFUL. Do you remember about how many workmen you had employed in your enterprises at that time?

Mr. HARVEY. We employed about 800. We had about 1,500 population altogether on our property. Our average was about 800 men.

Mr. KEARFUL. You say that the attitude of the Mexicans toward American operators was favorable during the time of Diaz. Did that continue through the régime of Madero?

Mr. HARVEY. That continued through the régime of Madero and in the early stages of the Madero Government there was a distinct effort made to eliminate some of the abuses that existed under the Diaz régime. There was a tendency to very arbitrary control of certain public utilities during the Diaz régime which Madero certainly made an effort to eliminate and I think did eliminate. I know in one or two cases where I myself had occasion to protest against arbitrary rulings from Mexico City. After Madero came to power a fair point of view was adopted and we got a better ruling.

Mr. KEARFUL. What was the condition in the time of Huerta?

Mr. HARVEY. Practically the same attitude, as far as the liberal policy was concerned, was carried on by Huerta, which was initiated by Madero.

Mr. KEARFUL. When did this attitude change, if you noticed the change?

Mr. HARVEY. I can not say that the attitude did change. There was a change of friendliness toward foreigners.

Mr. KEARFUL. That is what I mean.

Mr. HARVEY. That began with the—or, the first sign of that was at the time of the occupation of Vera Cruz. That was the first outbreak.

Mr. KEARFUL. What, if any, effect did the general policy of the American administration in Mexican affairs have upon the attitude of Mexicans toward Americans?

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Mr. HARVEY. During the time that Mr. Henry Lane Wilson was ambassador there the attitude was all that could be desired. There was a great deal of confidence felt by Mexicans in Mr. Wilson's steadying influence over the new Mexican administration, and I recall very distinctly the confidence that was felt at the time Huerta first accepted the presidency at the hands of the Mexican Congress. He was at the time, I think, not widely accused of Madero's death, and I never did think he had a great deal to do with it. I have reasons for believing that he did not have a great deal to do with that. But even if he had, it was more or less natural under existing conditions in Mexico that he had been brought up under. But he made a very striking address at the time he accepted the presidency before the Mexican Congress, which had been elected as a Congress under Madero, in which he gave his promise that he would call a general election as soon as the country had been pacified, and he called upon every member of that Congress to assist him in bringing about that condition. He stated categorically his own lack of confidence in his ability as a diplomat and statesman, and he asked to be relieved as soon as possible, and it was after that that he was unable to carry those policies out, owing to lack of support, I think, from outside, principally the United States, although all the foreign elements of all nationalities and all the educated Mexicans, as far as I have been able to find out, supported him very strongly.

Mr. KEARFUL. How about the diplomatic corps in Mexico City?

Mr. HARVEY. I understand that they were absolutely unanimously behind him and behind Henry Lane Wilson, and it was realized that Henry Lane Wilson had a very strong influence over Huerta. I also had opportunity of gauging that, and my contention is that had that combination remained in existence neither the Vera Cruz intervention or any of the subsequent horrible occurrences in Mexico would have occurred. I think Mexico would have been tied to the United States in bonds of friendship, and I think Mexico itself would have risen out of its trouble to a comparative state of civilization and sound democratic government.

Mr. KEARFUL. To what do you principally attribute the failure of Huerta to pacify the country?

Mr. HARVEY. Absolutely nonsupport by the United States and a rather antagonistic policy to him and the withdrawal of Henry Lane Wilson.

Mr. KEARFUL. You say nonsupport. Do you not mean interference?

Mr. HARVEY. And interference. And, of course, there was a great deal of what one might call personal baiting of Huerta which acted upon his temper very disadvantageously, and when Henry Lane Wilson's steadying influence was withdrawn the old man just got sulky and it was not possible to do anything with him; purely a natural and logical effect that would happen to any human being, I think, under the circumstances.

Mr. KEARFUL. To what do you principally attribute the success of the Carranza revolution?

Mr. HARVEY. The support of the United States and the antagonism that was shown to Huerta. That was the cause of his downfall. There is not any question about that.

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Mr. KEARFUL. What was the general feeling in Mexico at the time of the downfall of Madero and the accession of Huerta as to confidence in the pacification of the country and the permanency of the Government?

Mr. HARVEY. As far as I was able to catch the feeling toward the end of the Madero régime, amongst people outside of Mexico City, it was that Madero, as a practical administrator, was a complete failure and that some strong man would have to take his place; and it was only a question of time when someone would eliminate Madero. Then came the revolt of Felix Diaz at a time when Huerta was on leave in Mexico City, resting from his campaigns in the north, where he had been attempting to pacify the northern revolutionists for Madero. That condition in Mexico City was so terrible that he was approached by the best Mexicans and also by the best elements of the foreigners and asked to do something to put a stop to the trouble, and virtually he was, I think—I can say with certainty that it was not his own idea to do what he did in eliminating Madero, but it was forced upon him by the conditions in Mexico City, and at the request of those prominent foreigners and Mexicans who felt that some strong action must be taken, and he took the step of arresting Madero.

Mr. KEARFUL. What was the condition as to the security of life and property and business enterprises up to the time of the beginning of the Carranza revolution?

Mr. HARVEY. Up to the time of the Vera Cruz intervention everything was perfectly satisfactory. In fact, it was better during the six or seven months prior to that Vera Cruz occupation than it had been at any time before; but after that things got very uncomfortable for everybody, and for a time it was absolutely unsafe, because the Americans all had to leave. Then it quieted down again and while the antagonism which was aroused by that act never did disappear, conditions were tolerable for most of those whom I came in contact with until the Columbus raid, when a similar condition again occurred.

Mr. KEARFUL. What has been the condition from the time of the occupation of Vera Cruz to now?

Mr. HARVEY. Well, it has fluctuated. There were times when there seemed to be diplomatic tension, such as might occur through some of the troubles in the Tampico oil fields, and conditions got very unsafe. Foreigners, Americans especially, felt themselves extremely unsafe; I know I did. I was through a great deal of that and there were weeks at a time when I could not tell whether some mob would not get hold of me and stick me up against the wall and shoot me.

Mr. KEARFUL. Have conditions improved?

Mr. HARVEY. After that then things would quiet down again; things would get less tense and we would be able to continue; but it was a slow process of disintegration which made business thoroughly impossible. At the same time that this was going on the value of the currency was being practically destroyed by indiscriminate issues of paper currency without any security behind them, and that tended to unrest, of course.

Mr. KEARFUL. Have the conditions as to security for life and property improved or grown worse from that time to now?

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Mr. HARVEY. From my knowledge, and judging from my personal interests in Mexico, I think they have grown very much worse steadily.

Mr. KEARFUL. How is that illustrated with reference to the property interests of your company?

Mr. HARVEY. Well, it is virtually impossible now to maintain a reliable commercial organization with Americans at the head of it in Mexico, and we, none of us, feel it safe to attempt any large operations because of the danger of the antagonism that has been aroused in Mexico toward our people and the fact that at any moment that may burst into flame and cause serious trouble.

Mr. KEARFUL. Have you observed any depredations or destruction of property?

Mr. HARVEY. I have seen, in traveling through the parts of Mexico that I have been in, a good deal of destruction of property and also cases of destruction of human beings as well, but I won't say that I could distinguish between the destruction of foreign property and the destruction of Mexican property. It has been rather indiscriminate in that respect.

Mr. KEARFUL. Speaking generally of property?

Mr. HARVEY. Yes; speaking generally of property. As far as our own interests are concerned we have been very well treated by Mexicans always, by all classes. I have a very great liking and a very great respect for the average Mexican. It is the lawless minority and the overambitious minority that is causing all this trouble.

Mr. KEARFUL. You say minority. What percentage of the entire population?

Mr. HARVEY. That is a difficult question to answer, but if there are half a million people who are actually destructive in Mexico it is as many as there are out of a population of 15,000,000.

Mr. KEARFUL. You say that you have been well treated by all factions of the Mexicans. Has that been to such an extent that you are able to continue with the projects that you had formed in the time of Porfirio Diaz?

Mr. HARVEY. No; because financial and commercial conditions and the Government control is not sufficiently sound in Mexico to warrant anything of that sort, and nobody can go to Mexico today without feeling that they are taking a risk, because however friendly you may be with the bulk of Mexicans every man has some enemies and it usually happens that those enemies are the people who have the capacity for doing the most harm.

Mr. KEARFUL. At the present time and for some years past your company has been able to go forward with its projects; has it?

Mr. HARVEY. No; just marking time; maintaining a small organization and marking time.

Mr. KEARFUL. Notwithstanding you have been treated especially well, your company has suffered injuries for which it has made a claim?

Mr. HARVEY. Yes.

Mr. KEARFUL. To what amount?

Mr. HARVEY. To an amount in actual physical loss—the only claim has been $10.000 gold, but, of course, if one estimates the gross loss extending over a period of years through the destruction of business and the deterioration of property it would be 20 or 30 times that

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amount. But the only claim we made was for actual loss through military movements on our property which took place in 1915.

Mr. KEARFUL. What is the general feeling in Mexico, as you observed it, among Mexicans as to the possibility of the problem being worked out under present conditions by themselves?

Mr. HARVEY. I have absolutely no confidence that the Mexicans as they stand to-day can work the problem out without some outside assistance.

Mr. KEARFUL. What have you found to be the opinions of the intelligent, educated, high-class Mexicans on that subject?

Mr. HARVEY. I have found that a very great many of those whom I have personally talked with hold the same opinion that I do. A great many others feel that they can not face—their national pride will not permit them to face—accepting assistance from outside, and then others are entirely irreconcilable and state that they can and will work out their own salvation.

Mr. KEARFUL. Do you not believe that the pride of those who can not reconcile themselves to outside assistance influences what they may say on the subject?

Mr. HARVEY. That may be; I think that may be. I think that in the event of modified intervention of some sort being undertaken the large majority of Mexicans would very soon accept the inevitable and feel that it was the best thing for the country, provided they were absolutely convinced of the sincerity of the United States in endeavoring to help them and in her determination to retire as soon as sound government was established.

Mr. KEARFUL. What do they say with respect to the course of the United States during the last few years as affecting the question of the sincerity of the United States to assist them?

Mr. HARVEY. That is a question I would find it very difficult to answer. I think that the feelings and opinions of the Mexicans on that would be very much divided, very conglomerate, indeed. But I doubt whether—I think that the effect of the policy has been to create in the minds of a very great many Mexicans a contempt, which they did not feel before, for the United States, for they doubtless had a very sincere respect for the United States, and to-day, while there may be a fear of the United States, there is very little respect felt for the United States in Mexico.

Mr. KEARFUL. Do you think the course pursued by the United States has created doubts in their minds as to our sincerity?

Mr. HARVEY. I think it has created great doubts in their minds as to the sincerity of the policy of the United States toward regenerating Mexico. I think that they think the United States is afraid to tackle the problem in the first place, and yet is anxious to get control of Mexico in the second. I think that would be one of the great difficulties to overcome, that feeling that I have just expressed which has sprung up in the last three years.

Mr. KEARFUL. What do you regard as the first essential element in the reestablishment of stable government and the permanent security of Mexico?

Mr. HARVEY. I feel that the Mexican Government should be given the opportunity to refund and make good the claims by foreign powers, including the United States, of course; but that a definite

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time limit should be put upon that opportunity and if that opportunity is not satisfactorily availed of steps should be taken to blockade Mexico, to occupy Mexico City, without a military campaign throughout the country, but merely a limited expeditionary force to open communication with Vera Cruz and establish sound conditions in Mexico City, where the Mexicans of every shade of opinion can return with absolute confidence and safety.

Mr. KEARFUL. Do you believe that under such conditions the better class of Mexicans would cooperate with the United States in establishing a stable government throughout Mexico?

Mr. HARVEY. I feel sure that a very large number of them would, and I feel sure that the number would constantly increase as evidence of the sincerity of the United States in its policy was established. Of course, the first step after Mexico City would be occupied by the United States troops would be to assemble a constitutional convention. The Congress elected under the Madero régime might be called together, and it might be put up to them to select a leader—select a provisional President and, with the help of American departmental officers, a financial agent and authorities on education—help them to reorganize their Government and to make it impossible for any disgruntled or dissatisfied elements to break away and start hostilities, which has been the bane of all Mexican efforts to get together politically and agree upon a definite policy for the country.

Mr. KEARFUL. Have you an idea that the main thing toward the pacification of Mexico would be to eliminate the possibility of the success of a revolutionary movement?

Mr. HARVEY. I do not quite understand that question.

Mr. KEARFUL. Is it your idea that the main thing would be to eliminate the possibility of revolutions?

Mr. HARVEY. The main thing is to convince everybody that there is no use starting sporadic revolutions.

Mr. KEARFUL. That is, that such revolutions would never get anywhere?

Mr. HARVEY. Exactly. That is the first thing to do.

Mr. KEARFUL. How large a force would you think would be necessary to carry out such a project?

Mr. HARVEY. Judging from previous campaigns in Mexico and the knowledge that has been gained by the United States in the European war, a thoroughly well-equipped column of 25,000 men, acting as a sort of arrowhead, should be sufficient to reach Mexico City with very little serious loss, providing it was fully supported by railroad units and sufficient troops to guard the railroad and keep communication open with Vera Cruz. The only part of Mexico that should be touched by a foreign military power should be Mexico City and the Vera Cruz railroad and the blockading of the ports and the closing of the Mexican border.

Mr. KEARFUL. Do you think that the accomplishment of such a plan would be more difficult now than it would have been at the time of the occupation of Vera Cruz?

Mr. HARVEY. Very much more so, because, I think, Mexican opinion is more bitter than it was then. On the other hand, the United States is far better equipped to undertake such an enterprise, and Mexico herself is very much less well equipped to oppose it.

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Mr. KEARFUL. Do you think that the accomplishment of such a plan will become easier as time goes on, or more difficult?

Mr. HARVEY. I do not think from a military standpoint it would probably be more difficult, unless some foreign power was able to bring sufficient influence to bear in Mexico to organize a stronger opposition; but I think that the cost and expense of regenerating Mexico and the difficulty of doing so, and assuring the United States of a satisfactory independent neighbor would be very much increased by allowing matters to drag along.

Mr. KEARFUL. What do you say as to the increasing hostility or friendship of the Mexicans toward the United States as time goes on?

Mr. HARVEY. I think the hostility will go on increasing, and I do not like to use the word contempt, but I am afraid there is a great deal of contempt mixed up with the hostility, due to the fact that the United States has not insisted upon proper respect being paid to her diplomatic exchanges with the Mexican Government.

Mr. KEARFUL. Is it not a necessary element in the beginning of such a plan that the Mexican Government should be able to obtain foreign loans of money?

Mr. HARVEY. The first essential, after some definite action was taken toward establishing a firm government in Mexico City, of course, would be to organize the finances of the country, so they could pay back such advances as would have to be made to it, to establish its police force, establish its educational system and general machinery of government, restore its railroads and banking institutions to their original condition; but Mexico is so immensely productive and the attraction of capital to the country is so tremendous, that under such conditions I think Mexico would very rapidly pay back such financial support as it might get.

Mr. KEARFUL. Do you think that any capital would be attracted toward investment in Mexico without the absolute assurance of permanent and stable government?

Mr. HARVEY. No; I do not think any sound capital investments would be attracted toward Mexico. Some highly speculative ventures might be undertaken there. I think there is some money going into Mexico to-day.

Mr. KEARFUL. But the investments you speak of as being sufficient to enable Mexico to rehabilitate herself, would such investments be attracted to Mexico without the positive assurance of a stable and permanent government?

Mr. HARVEY. You mean to say without a guarantee from the United States that they would maintain order in Mexico?

Mr. KEARFUL. I do not undertake to say what sort of guarantee, but I mean such assurances as would be satisfactory to those who have the capital to invest.

Mr. HARVEY. I think that some such assurance would be necessary, but that as the situation developed toward sound conditions, of course, the capital would become more confident. It would take a little time without some definite report to establish confidence.

Mr. KEARFUL. I presume that you are aware that the present Mexican Government has taken all of the metallic reserves from the banks of issue to the extent of over 50,000,000 pesos?

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Mr. HARVEY. Yes; I am.

Mr. KEARFUL. That the same Government has taken over the railroads and collected all of the revenues since the time of the success of the Carranza revolution?

Mr. HARVEY. Yes.

Mr. KEARFUL. And of the express companies?

Mr. HARVEY. Yes.

Mr. KEARFUL. And that nothing has been paid either by way of payments to noteholders, depositors, creditors, stockholders, bondholders, or any interest paid on the national debt of Mexico to the extent of possibly a billion pesos of capital?

Mr. HARVEY. Yes.

Mr. KEARFUL. Do you think that any plan could succeed without first arranging to discharge those obligations?

Mr. HARVEY. I think that would be practically the first step to take; one of several simultaneous steps. I assume that the only way that that could be done would be by having control of the customhouses and controlling the export duties.

Mr. KEARFUL. If that could not be done by agreement with the Mexican authorities it would have to be done by force, would it not?

Mr. HARVEY. It would have to be done by force; yes. But my own feeling is that the position would be so strong and the reasonableness of the demand would be so great that the Mexican Government would consent, because it would be their road to freedom. That is the most important item to remember.

Mr. KEARFUL. The sensible view for them to take in their own interest.

Mr. HARVEY. Assigning part of their revenues would be their road to freedom and independence.

Mr. KEARFUL. And the sensible view to take would be that that would be for their best interest?

Mr. HARVEY. Best interest.

Mr. KEARFUL. And the anly solution of their difficulties?

Mr. HARVEY. The only solution.

Mr. KEARFUL. Would you be in favor of the United States Government taking over Mexico and retaining it as territory of the United States?

Mr. HARVEY. Most certainly not. I would like to say here I have always been most strongly opposed to any sort of military intervention in Mexico, and it is only since things have gotten to the point they have reached that I felt that a limited and friendly intervention was the only course open. Such military intervention as has been talked about, where 450,000 or 500,000 men would be thrown into Mexico and conquer the country and subdue it, would be, in my opinion, a fatal error in every way. Apart from the effect on Mexico itself, I think that the effect on the whole South and Central America would be very injurious to the United States.

Mr. KEARFUL. Is that the opinion of foreigners generally in Mexico?

Mr. HARVEY. I believe that is; I think that the feelings on the whole of Spanish-America must be taken into account.

Mr. KEARFUL. It is sometimes heard in this country that large foreign interests in Mexico have engaged in a conspiracy to force this

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Government into military occupation of the country and annexation. Is that the feeling of your company, which has a very large interest there?

Mr. HARVEY. No, sir; I have never heard of any such idea mooted amongst business people in a business way. I have seen it in the papers, I have seen it suggested, but I have never heard of anything of the sort. I think that up to the present time the foreign interests have felt it was a moral obligation of the United States and that there was no necessity of conspiracy or anything of that sort.

Mr. KEARFUL. What do you believe is the basis or reason for propaganda of that sort?

Mr. HARVEY. The wish is father to the thought, I think, very largely, and it may be political, to embarrass the United States. I would not attempt to answer that question, because my own feeling would be that a group of speculators in Chicago, who have large interests in Mexico, might think it would be a good thing to start an agitation of this sort and suggest it was being done, or they might actually do it. I would not be surprised if Mexican leaders, like Villa, have close touch with financial interests in the United States. I do not mean with the big financial interests, responsible financial interests, but with limited financial interests in the United States or in England or France. I think a certain amount of money might very readily go into Mexico to keep everything in a ferment.

Mr. KEARFUL. What would be the basis of such propaganda emanating from Mexico? What effect does such propaganda have upon the present government of Carranza? That is, the spreading of stories that the Americans and other foreigners interested in Mexico are fomenting intervention?

Mr. HARVEY. Of course, Carranza's supporters might very readily start rumors and a propaganda of that sort in the United States in order to strengthen their own position. That is, I think, a natural and quite probable condition. I did not quite catch the drift of your question at first. But it is not at all unlikely that in these days, when everybody seems to resort to propaganda, that it should be resorted to on the other side of the border.

Mr. KEARFUL. Have you had occasion to observe the movements of radical labor elements in Mexico, if so, what, if any, danger do you see in permitting that condition to continue?

Mr. HARVEY. Well, I have had the opportunity of seeing something of the sindicato, or syndicalist movement, in Mexico. It started sometime before the Russian revolution, or before we began to hear anything at all about Bolshevism. It got considerable hold in Yucatan and in Vera Cruz, and it penetrated to the Yusumacinta River, in Tabasco, where there are large banana interests. It practically eliminated the banana interests on that river, owing to the exorbitant demands the laborers were induced to make. The leaders of that movement came from Vera Cruz. They were a very unprepossessing type of Mexican of Spanish extraction. I saw some of them, and they were men who never did any physical work at all, but they had great influence in talking these crazy theories into the Mexican peons, and they virtually destroyed, with the help of the revolutionary conditions that had been created, on the Yusumacinta River, a very valuable fruit industry that had sprung up in the last 10 years in which both Americans and Mexicans were largely interested.

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We had in our own part of the Laguna de la Carmen something of the same sort amongst the longshoremen and they did attempt to visit our property. The trouble on our property started with an American who came down as a boilermaker and immediately joined by a young German. Why the German came I have not any idea, except it has always been the belief that he was connected with some radical organizations, and he started in to try to syndicalize the laborers on our property and they managed to get an organization of about 50 men together, but our manager is a very able and popular man, and by using his diplomatic skill he completely routed these people and we got rid of them. But all along that coast from Vera Cruz to Progreso there is that element, which started before the revolution and it has shown me that the Mexican mind is very fertile soil for radical ideas, and it is impossible for me to think that the very able organizers of the present radical movement are not going to make use of that condition in Mexico for all they are worth, and what that will mean to the United States if they are successful—and I am absolutely confident they will be successful so long as Carranza carries on the form of government he is doing—no greater menace to the welfare of the industrial prosperity of the United States could possibly arise. That is another reason why I feel no possible time should be lost at all in cleaning up Mexico and giving the Mexicans a chance to attend to their own affairs in a decent and Christian way.

Mr. KEARFUL. Returning to one of the previous questions, what have you observed to be the influence of foreign enterprise upon the condition of the laborers in Mexico—I mean during peaceful times and stable conditions?

Mr. HARVEY. Why, foreign enterprise has a tremendous effect in improving the state of Mexican workmen. That is noticeable everywhere. And in the city of Puebla, for instance, which is a great cotton spinning center, industrial center, the people before the revolution were in a splendid condition. They were earning regular wages and they were on a par and their organizations were on a par with very many industrial centers in the United States.

The Mexican is an intelligent man; he is only more of a sentimentalist, he has more of the Celtic characteristics in him than we have on this side of the border, and in dealings with Mexicans we have to remember that fact.

Mr. KEARFUL. What is your belief as to the necessity for a material advancement as the first step toward education of the peons? Is it not true that a workman must have food and clothes before he can entertain higher ambitions?

Mr. HARVEY. Most certainly. The first thing I expressed in that memorandum that Mr. Williams sent you was to rehabilitate the financial condition, and the industrial condition and growth of the industrial situation will rehabilitate itself when the railroads or the means of communication and the banking facilities are reestablished, because the Mexicans have plenty of enterprise and there is a very large section of middle-class business people and foreigners who will get right down to business at once, and in a very short time Mexico will show the results of an orderly condition of affairs in the country, so that while this condition is being brought about—

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this improved industrial condition is being brought about there will be time to study the educational condition and create educators, because the work would have to be carried out simultaneously, because educators have to be created in Mexico before any education can be introduced into the country, any widespread system of education, any common school system. Our own experience in that connection is interesting, because quite shortly before I left Mexico one of the Carranza decrees was to the effect—it was not legislation, mind you, but it was a decree direct from Carranza and had no indorsement of any congress of any sort.

Carranza does not act by Congress; he acts by decree. That decree was to the effect that every property owner who had any number of employees should establish a school, pay a school-teacher, and engage the school-teacher, and under the law, I think, subject to fine; he had to find a school-teacher. And we were only too glad to carry out that decree, although our plans for education had been knocked on the head by the fact that revolutionary conditions had upset all our organization. However, we set to work to try to find capable teachers for the school, and we were not able to do it. There was not a living soul available who could possibly take charge of that school. We sent as far as Merida, we sent entirely out of the State of Campeche to Yucatan, to try to find teachers and there was none to be found. We had had a school conducted by the daughter of one of our foremen, a Mexican, but she, I think, got in ill health, or something, and when our organization was broken up that all fell through.

Mr. KEARFUL. Did you apply to Gen. Salvador Alvarado, the governor of Yucatan?

Mr. HARVEY. I do not know what steps were taken in that respect. The manager had charge of it. But I know from his reports he was entirely unable to secure anyone. He had two or three people there who came as ostensible school teachers, but they were absolutely incompetent, worse than incompetent in one case; the scholars could not be trusted with them.

Mr. KEARFUL. Mr. Michael Smith testified upon that subject in regard to Yucatan and to the effect that the teachers in that State were furnished by Gen. Alvarado and that many of them could not read or write and their teachings were of the sort that you have just mentioned concerning syndicalism.

Mr. HARVEY. I think that is very probably true. In fact, I would be prepared to indorse it.

Mr. KEARFUL. Did Carranza undertake to furnish any teachers for the purpose of carrying out his decree?

Mr. HARVEY. No; they put it up to us to find our own teachers. There was no Federal or State organization to produce teachers, and they knew that. That is the reason they put it up to us. In other words, they "passed the buck."

Mr. KEARFUL. Is there anything further of interest that has not already been referred to that you have in mind?

Mr. HARVEY. I feel that I would like to say something about the relative positions of Madero, Huerta, and Carranza in regard to the history that we have been discussing, because I do not think that

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the true story of Huerta has really been ever understood, and this is the story as I know it, and I feel sure that it is very near the truth:

Huerta was educated at the military college at Chapultepec. He was an Indian boy and joined some forces just as a drummer boy, I think, in Mexico. but he showed considerable ability and was pushed on and was put into the Chapultepec college, passed with very high honors, and served as one of the colonels of Diaz under the old Mexican constitution. He was always a strong constitutionalist. When Madero finally took the reins over from Diaz, Huerta, following the dictates of the constitution, acknowledged Madero as president. He went to the north and he fought a series of compaigns to establish Madero's power. During that time his health broke down; he got leave of absence; he had pretty nearly quieted that northern country.

Mr. KEARFUL. You refer to Orozco?

Mr. HARVEY. Orozco. He came back and was residing in Mexico City when Felix Diaz broke out, and he was called on by foreigners and residents alike to try to do something, because he was known to be the strongest military commander available, and he took the steps to force Madero's resignation. After that congress, Madero's congress, the majority of whom had realized that Madero's unfortunate temperament was leading the country into perdition, unanimously—I think absolutely unanimously—appointed Huerta provisional President and accepted his action in demanding the resignation of Madero.

Mr. KEARFUL. Was that in accordance with the form established by the constitution?

Mr. HARVEY. Yes; that was in accordance with the form established by the constitution, as I understand it, Provisional President. The day he was inaugurated as Provisional President—this was published in the official account of the proceedings of the Mexican Congress—President Huerta stepped off the presidential desk onto the floor of the house and, if my memory serves me—the speech is written in my memory, because it struck me as being a very fine thing—he said, "Brother Mexicans, I am not going to speak to you from the seat of the President of Mexico; I am going to speak to you from the floor of this chamber on the same level as you." He said: "I am a soldier. I realize my absolute incompetence as a diplomat and as a statesman." He said: "I have taken this position at the request of you and all others, because I felt that it was the only course for me to quiet Mexico. I appeal for your assistance to do so, and when I have pacified Mexico I promise you that an election will be held and that I will retire, because I do not wish the presidential chair. I do not wish the responsibility, for which I am totally unfitted."

Now, that was not called for—that speech was absolutely spontaneous. I think it surprised the chamber. I think the record of that speech and those transactions can be found; I think they are of record.

He went back and became a very close friend of Henry Lane Wilson, and I know from my personal connections who were at the same time in touch with Mr. Wilson and Huerta, that Mr. Wilson's influence with Huerta was tremendous, and if that influence had been used simply to remind Huerta of the undertaking he had given his own congress I do not believe any of the subsequent history of

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Mexico would have been written. I think that Huerta was the most patriotic constitutionalist of any leader that they ever had, not excluding Diaz.

He was an Indian—he had an Indian mind. He was in some ways a very rough diamond, but he was very able, he was very strong, and he believed in the constitution, which he had learned through his military education. He stated that over and over and over again.

And then Carranza started up claiming constitutionalism as his battle cry, and at the same time forced, or tried to force, his plan of Guadalupe down the throats of the Aguascalientes convention. That Guadalupe plan was nothing more or less than appointing Carranza first chief of the constitutionalists, a thing that Huerta had never done.

Huerta's record and Carranza's record can not be written side by side because the one was a constitutionalist and the other was a dictator. Huerta finally became a dictator and he became a dictator because he was not allowed to undertake the plan he had laid before his own Congress to carry out.

I do not like to take up your time by talking like this, judge, but I think it is a point that ought to get more publicity, because Huerta had his faults, but he has been awfully maligned. There is no question about that.

Mr. KEARFUL. What truth is there in the constant report that Huerta was addicted to drunkenness and immorality?

Mr. HARVEY. Well, if he were not addicted to some drunkenness and some other things, being as he was and living in the country he was, would be a very astonishing thing. It would be a very bad sign. He would not be a true Mexican.

Mr. KEARFUL. Do you think he was conspicuous in that among Mexicans?

Mr. HARVEY. He was not at first; it was not until he got ugly. When he got ugly, seeing that he was not allowed to have a free hand, I think then he did go to the dogs altogether. He simply got ugly.

Mr. KEARFUL. He did not get ugly until after the occupation of Vera Cruz, did he?

Mr. HARVEY. No; I think he began to get ugly at the time of the flag—you remember the conditions at the time that brought about the conditions at Vera Cruz.

Mr. KEARFUL. The Tampico flag incident.

Mr. HARVEY. When he refused to salute the American flag. I think that was the first public illustration we had of Huerta turning ugly, but he did that; there was no question about that. He got so ugly nobody could do anything with him, and being an Indian it is quite natural; it is what you would expect. If I treated an Indian like that I would expect him to get ugly.

Mr. KEARFUL. Is there anything further, Mr. Harvey?

Mr. HARVEY. I do not think so.

Mr. KEARFUL. Thank you.

(Witness excused.)

(Whereupon, at 3.20 o'clock p. m. the committee adjourned.)

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INVESTIGATION OF MEXICAN AFFAIRS.

FRIDAY, JANUARY 23, 1920.

UNITED STATES SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON FOREIGN RELATIONS,
Washington, D. C.

Testimony taken at Washington, D. C., January 23, 1920, by Francis J. Kearful, Esq., in pursuance of an order of the subcommittee of the Committee on Foreign Relations of the Senate.

TESTIMONY OF MANUEL A. ESTEVA.

(The witness was duly sworn.)

Mr. KEARFUL. Please state your full name.

Mr. ESTEVA. Manuel A. Esteva.

Mr. KEARFUL. Where do you live?

Mr. ESTEVA. New York.

Mr. KEARFUL. What address?

Mr. ESTEVA. 12 Broadway. That is my business address. I am in a hotel now.

Mr. KEARFUL. What is your citizenship?

Mr. ESTEVA. Mexican.

Mr. KEARFUL. In what business are you engaged?

Mr. ESTEVA. In the importing and exporting.

Mr. KEARFUL. How long have you been away from Mexico?

Mr. ESTEVA. From the first time that I came to this country.

Mr. KEARFUL. How long since you have been there?

Mr. ESTEVA. Since April, 1914.

Mr. KEARFUL. What was your profession before you entered into your present business?

Mr. ESTEVA. I was in the Mexican consular service.

Mr. KEARFUL. Through what period of years?

Mr. ESTEVA. Well, I came here to this country for the first time to the New York consulate in September, 1900.

Mr. KEARFUL. What offices did you occupy at different points in the United States since that time?

Mr. ESTEVA. Well, I was in New York, Philadelphia, back to New York, San Antonio, Tex., then to Cuba, and back to New York.

Mr. KEARFUL. What positions did you occupy?

Mr. ESTEVA. Well, I was clerk, you might say, in the consulate here, then consul in Philadelphia, then inspector of general consulates, in charge of the consulate at San Antonio; then I went as consul general to Habana, Cuba—no; I came from Philadelphia back as consul to New York; then I went to San Antonio, Tex.; then I went

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as consul general to Habana, Cuba, and then as consul general to New York.

Mr. KEARFUL. That service covered a period extending over a large portion of the rule of Porfirio Diaz, the time of Madero, and Carbajal, and Huerta?

Mr. ESTEVA. De la Barra was between Diaz and Huerta; De la Barra, then Madero, and then Huerta, and, of course, Carbajal was only a few days.

Mr. KEARFUL. Upon what event did you leave the consular service?

Mr. ESTEVA. When the present Government got in office.

Mr. KEARFUL. When Huerta abdicated?

Mr. ESTEVA. Not exactly, because Huerta abdicated before the service was suppressed by the Carranza Government, and I left the consular service in New York in August, 1913. Huerta was already gone from Mexico.

Mr. KEARFUL. During your consular service, did you have occasion to become familiar with the operations of the various revolutionary activities of Mexicans in the United States?

Mr. ESTEVA. Yes; because you see, outside of my consular service I filled several diplomatic missions for Mexico.

Mr. KEARFUL. What were those?

Mr. ESTEVA. Well, when here in Washington, I was first secretary to the special embassy that came to Washington for participation in the centenary in Mexico.

Mr. KEARFUL. What do you regard as the beginning of the present revolutionary troubles in Mexico?

Mr. ESTEVA. Well, I regard the beginning of the revolution the articles of Turner "Barbarous Mexico." I think they were written in 1908. I am not sure exactly the year, but I think so.

Mr. KEARFUL. Those articles were supposed to have been written by John Kenneth Turner.

Mr. ESTEVA. John Kenneth Turner; yes.

Mr. KEARFUL. Do you know who actually wrote them?

Mr. ESTEVA. I know he wrote part of them. I know also several articles were written by Lazaro Gutierrez de Lara.

Mr. KEARFUL. What were his politics?

Mr. ESTEVA. He was a Socialist.

Mr. KEARFUL. The articles were written by him in Spanish?

Mr. ESTEVA. Written in Spanish, and they were sent to New York, and they were given to a Mexican who was at the time in New York and he translated them into English.

Mr. KEARFUL. You got this information from the Mexican you mention?

Mr. ESTEVA. Yes; I got it exactly from the man who was making the translations.

Mr. KEARFUL. Do you know who paid for those translations?

Mr. ESTEVA. Yes; he told me once that an oil company.

Mr. KEARFUL. An oil company?

Mr. ESTEVA. An oil company here was paying for those translations.

Mr. KEARFUL. What was the oil company?

Mr. ESTEVA. He said the Standard Oil Co.

Mr. KEARFUL. Did he give you any evidence of payment by the Standard Oil Co.

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Mr. ESTEVA. Yes; while he was talking to me he showed me a check.

Mr. KEARFUL. In your capacity as consul did you have occasion to learn of the operations of John Lind when he was in Vera Cruz?

Mr. ESTEVA. John Lind?

Mr. KEARFUL. Yes.

Mr. ESTEVA. Yes; I know a great deal about that part over there, because you know in my connection with the State Department I was told many things that really happened, and I was told not only by them but some of the Americans that Mr. Hale was in Mexico working in the same capacity.

Mr. KEARFUL. William Bayard Hale?

Mr. ESTEVA. William Bayard Hale, and it would seem that Mr. Hale was already going a little toward Huerta, and then Mr. Lind was sent to supersede him. Mr. Lind arrived in Mexico, and it seemed like he expected to be received with the honors of a special ambassador, and he was very much hurt when Huerta did not pay any attention to him, so he left Mexico indignant and came to Vera Cruz, and there in Vera Cruz he started work practically against Huerta personally, and even holding political meetings there in Vera Cruz, and I was told they were in the American consulate, some of those meetings. What I mean political meetings, I mean Mexican political meetings.

Mr. KEARFUL. You mean revolutionary meetings?

Mr. ESTEVA. Revolutionary meetings.

Mr. KEARFUL. While he was living there under the protection of the Huerta Government?

Mr. ESTEVA. Yes; because Huerta was the president; that is true.

Mr. KEARFUL. And do you know anything about a letter he wrote to Bryan in reference to the City of Mexico?

Mr. ESTEVA. Yes; I saw that letter. I knew about the letter he had written to Mr. Bryan to Washington, and then afterwards I was surprised to see it published in the Hearst papers in New York. Of course I don't know how Mr. Hearst got the letter, but it was very interesting, because he said that the only way to get things in Mexico right was to humble the city; that it was very proud.

Mr. KEARFUL. Humble the city?

Mr. ESTEVA. Humble the City of Mexico; that the people there were very proud.

Mr. KEARFUL. What was the idea expressed as to the method of humbling the city?

Mr. ESTEVA. The method was to bring Villa to Mexico City and make Villa humble the Mexicans there, and from the date, really, of that letter Villa was receiving ample support in Washington. I knew of an incident which was assured to me by some Americans that there was an order to write the biography of Villa.

Mr. KEARFUL. An order given by whom?

Mr. ESTEVA. Well, I was told by Mr. Bryan, and they made a moving picture out of that biography, and that moving picture was exhibited in New York.

Mr. KEARFUL. In what year?

Mr. ESTEVA. I think that was in 1914.

Mr. KEARFUL. Before Mexico City had been humbled?

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Mr. ESTEVA. Yes; before Mexico City was humbled.

Mr. KEARFUL. Did you see that picture?

Mr. ESTEVA. I saw that picture myself. I think it was the Lyric Theater. I am not exactly sure, but it was on Forty-second Street in New York. It was exhibited there for several weeks. It was a very romantic and pathetic story. It showed that Villa had two sisters, and one was a very young one and was assaulted by a Mexican officer of the army, and she died, and then the other sister died also of broken heart, and Villa came before the grave and swore revenge.

Mr. KEARFUL. Swore vengeance over the grave?

Mr. ESTEVA. Swore vengeance over the grave, and it was pointed out that was really the reason and the cause why Villa had gone into the field to be a bandit.

Mr. KEARFUL. Was there any truth in that story?

Mr. ESTEVA. Well, according to what I know, no; nothing at all.

Mr. KEARFUL. Did you have any connection with the Niagara conference?

Mr. ESTEVA. Yes; I was appointed assistant delegate to that conference.

Mr. KEARFUL. Where were you located then?

Mr. ESTEVA. I was in New York as consul general at the time.

Mr. KEARFUL. In connection with that conference was there an agreement entered into by this Government with the Mexican delegates to prevent the shipment of arms and ammunition?

Mr. ESTEVA. Yes. That was one of the things they did there. You see I was not very familiar with that conference because I stayed there about a week or so and had to come back to New York, but, of course, I knew a great deal of what happened in that conference.

Mr. KEARFUL. How was that agreement carried out on the part of this Government in regard to the shipment of arms and ammunitions?

Mr. ESTEVA. Well, I do not think it was carried out at all, because at that time there was a boat in New York called the *Antilles*, which was to sail the next few days, and it seemed to me it was purposely put under the Cuban flag to avoid the responsibility of the American Government, and they loaded up with arms and ammunition and munitions in New York, and I was in New York at the time, and then I called up on the telephone to the Spanish ambassador here in Washington, Mr. Riano, who was at the time in charge of the Mexican affairs here, and notified him of the fact that the boat was being loaded with arms and munitions, and ready to sail to Mexico, and he promised to take the matter up with the State Department, which he did, and called me back and said that the State Department was going to look into the matter and probably stop it if they could.

Then I went to the customhouse in New York and I was confidentially told there that they had received instructions from the State Department or from the Treasury Department here to facilitate the sailing of the boat. Then the day I knew the boat was sailing I called up on the telephone again to the Spanish ambassador to tell him that the boat was sailing, and then I received the answer later by the ambassador saying that he had gone to tell Mr. Bryan that the boat had already sailed from New York, and Mr. Bryan told

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him that he did not know that the boat had sailed and that he could not stop it.

Mr. KEARFUL. Then subsequently when the boat attempted to land at Vera Cruz was any action contemplated to stop it?

Mr. ESTEVA. You mean from the Mexican Government?

Mr. KEARFUL. Yes.

Mr. ESTEVA. I think they tried to do it; but I think the American Government said they would send a cruiser to protect the boat so they could land the arms and munitions at Tampico.

Mr. KEARFUL. And subsequently to the sailing of the *Antilles* was there another shipment from other ports?

Mr. ESTEVA. None that I know of, but I know of one incident before that; from Galveston a boat sailed with arms and ammunition, and with false manifests, clearing for another port, and then changed her course and went to land the cargo in Mexico, and I understand when the port authorities found out the deviation of the boat they fined the boat $500 for false entry or false manifests.

Mr. KEARFUL. The port of Tampico was then in the hands of the Carrancistas, was it?

Mr. ESTEVA. You mean at the time of the *Antilles* incident?

Mr. KEARFUL. Yes.

Mr. ESTEVA. Yes; it was already in the hands of the Carrancista revolutionists.

Mr. KEARFUL. And that was the port where the landing was made?

Mr. ESTEVA. Yes; where they landed the arms.

Mr. KEARFUL. During the time of Porfirio Diaz and Madero and De la Barra and Huerta were there any such things known as concessions granted by the Mexican Government for the free import of articles?

Mr. ESTEVA. Well, not in a general way. Of course, there were some new enterprises or new developments that could be given concessions to bring machinery in or something free of duty.

Mr. KEARFUL. But were there any such things as concessions for building material in general?

Mr. ESTEVA. Oh, no.

Mr. KEARFUL. Did you know of such concessions having been made by the Carranza Government?

Mr. ESTEVA. Yes; I know one, I understand, that was given to Mr. Barrios Gomez, and it seemed that he tried to work that concession with some hardware stores in Mexico, and then afterwards I think he passed it to somebody else. I am told Mr. Nieto.

Mr. KEARFUL. Nieto was subsecretary of the treasury.

Mr. ESTEVA. Nieto was subsecretary of the treasury at the time.

Mr. KEARFUL. Who was secretary of the treasury?

Mr. ESTEVA. He was secretary while Mr. Cabrera was away.

Mr. KEARFUL. Luis Cabrera was secretary?

Mr. ESTEVA. Luis Cabrera was the secretary.

Mr. KAERFUL. What was the method of exploiting concessions of that kind?

Mr. ESTEVA. You mean again by the Carranza Government?

Mr. KEARFUL. Yes.

Mr. ESTEVA. Well, the one who got the concessions, they came to the United States and tried to sell those concessions for half of the duty that really would have been paid.

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Mr. KEARFUL. Do you know anything about a firm that used to be at Vera Cruz called Agencia La Garda?

Mr. ESTEVA. Yes; I knew the Agencia La Garda was really an agency working in connection with the treasury department in Mexico, and that was a public fact, because they even came out in the papers, and I think Mr. Cabrera went over there to reorganize the treasury department, and they severed entirely connections with the La Garda Agency. The La Garda Agency was buying and selling articles for Mexico.

Mr. KEARFUL. What was their method of doing business?

Mr. ESTEVA. Well, it was a general importing and exporting house.

Mr. KEARFUL. Who were the individuals who profited by the operations of that concern?

Mr. ESTEVA. Well, I do not know exactly, but I suppose the treasury department must have received something for it.

Mr. KEARFUL. The officers of the treasury department?

Mr. ESTEVA. Well, the officers or the office.

Mr. KEARFUL. Did they engage in the buying and shipment of hides?

Mr. ESTEVA. Yes. Well, all Mexican raw materials. You see they were buying it there and exporting it to the United States.

Mr. KEARFUL. Do you know anything about a concession to import Cuban cigarettes free of duty?

Mr. ESTEVA. Yes; I was told by a man who seems to be very familiar with those dealings—well, I don't remember the name of the man in Vera Cruz, he got a concession for importing 1,000,000 boxes of Cuban cigarettes free of duty into Mexico, and he assured me they got a Mexican dollar profit on each box.

Mr. KEARFUL. Those concessions were granted by the head of the treasury department?

Mr. ESTEVA. Well, not necessarily, but by the department itself.

Mr. KEARFUL. By the department?

Mr. ESTEVA. Yes.

Mr. KEARFUL. What do you know about an operation of the shipment and coinage in this country of Mexican gold and silver.

Mr. ESTEVA. Well, what I know about that is that the Mexican Government sent here some bars of silver and gold and they were trying to make an arrangement with Islin & Co., in New York, to have the money coined in Philadelphia in the mint, and they were going to get the difference in the actual value of the silver in the market and the value of the Mexican coin, and I understand it made a difference of about $5,000,000, and I understand also that the deal could not be carried through because the American Government stopped it.

Mr. KEARFUL. Who was the attorney for Islin & Co.?

Mr. ESTEVA. At that time?

Mr. KEARFUL. Yes.

Mr. ESTEVA. Well, I don't know at that time, but I know the attorney for Mexican affairs was David Reyes Retana.

Mr. KEARFUL. Is he a resident of New York City?

Mr. ESTEVA. He lives in New York City, having lived there since 1915, I think.

Mr. KEARFUL. Is Mr. Retana a partner of Mr. Manuel Lopez Figueroa?

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Mr. ESTEVA. I believe so.

Mr. KEARFUL. Mr. Lopez Figueroa testified before the committee some time ago?

Mr. ESTEVA. Yes.

Mr. KEARFUL. What changes have been made in the consular charges since you were connected with the office in New York?

Mr. ESTEVA. You mean for fees for consular invoices?

Mr. KEARFUL. Yes.

Mr. ESTEVA. Well, when I was connected with the consulate there was a nominal fee for each $100, and usually after $500 was about 50 cents or $1 fee for each additional $100, and since the Carranza Government has been in power they charge now 3 per cent of the value of the consular invoice.

Mr. KEARFUL. What change has been made in regard to excess charges for invoices outside of office hours with reference to fixing office hours?

Mr. ESTEVA. Well, with the previous Government there was a fee that was called double duties that could not exceed more than $4, and to-day I understand they charge regular double fees regardless of the amount.

Mr. ESTEVA. That is, when business is transacted outside of office hours?

Mr. ESTEVA. Yes.

Mr. KEARFUL. And have the office hours been reduced?

Mr. ESTEVA. I understand they have been reduced about one hour.

Mr. KEARFUL. You, of course, kept in touch with the American policy and the operation of the American policy toward Mexico during the time that you were consular officer?

Mr. ESTEVA. Well, I had to. You see, I have been here working specially from the time of the revolution of Madero and subsequent events, and I have been seeing how really all the revolutions, even starting with the Madero revolution, have been more or less helped in this country.

Mr. KEARFUL. Do you think it is possible to start a revolution in Mexico without assistance in this country?

Mr. ESTEVA. Well, it would be almost impossible, because you see Mexico can not produce any arms and ammunition, and if they have to bring them from European countries they have to come from a boat, but when they come from this country it is very easy to smuggle them in across the border. I do not know whether the American people at large really realize the moral responsibility that the country has assumed with the protection or help that the Government has been giving to the latest revolution, because when they undertook to take out Huerta from Mexico, practically they assumed the responsibility of Mexico with the European powers.

Mr. KEARFUL. You believe because of the action of this Government in eliminating Huerta and imposing Carranza the American Government is responsible to foreigners for damages done to them by the revolution?

Mr. ESTEVA. I think so. If any investigation comes naturally to clear up the responsibility of Mexico for the debts it would come out that Mexico is in the position that practically it is to-day, due to the attitude of the administration in Washington.

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Mr. KEARFUL. What do you regard as the inevitable tendency of the policy of the Washington administration? To what end do you think it must lead eventually?

Mr. ESTEVA. Well, I will tell you; I started seeing the effects of the policy, if you can call it policy, that has been followed at Washington from the latter part of 1915 and the beginning of 1916. I have told some friends of mine that instead of avoiding intervention that policy was bringing intervention into Mexico. The Mexicans themselves are not wanting intervention in Mexico, but it is the policy of the United States that is bringing intervention into Mexico.

Mr. KEARFUL. You mean the policy or lack of policy that has been followed by the administration?

Mr. ESTEVA. That had been followed so far is bringing the country into chaos, and finally, sooner or later, there will be intervention which will be a necessity. I think the worst thing to come would be armed intervention in Mexico.

Mr. KEARFUL. Do you mean you think it would be a bad thing for Mexico?

Mr. ESTEVA. Well, I think it would be bad for both countries, because the Mexicans have some characteristics—they have the physical courage that they don't care who they fight, and even knowing they will lose, they will fight, and that would destroy the country. And more for the United States, because it would take years to get back on the same standard they were before this revolution, in the eyes of Mexicans and of all Latin-American countries.

Mr. KEARFUL. You mean there would be a sentiment of hostility engendered?

Mr. ESTEVA. There would be a sentiment of distrust and hostility. If Mexico had been left alone to work out her own salvation maybe things would be entirely different to-day, and I think the time is to aid Mexico in some way to work it out. If the United States would be absolutely friendly, the way they should be, being so close together—the two republics—and help Mexico as a friend, Mexico would come out of what it is to-day very easily.

Mr. KEARFUL. What is your opinion as to how the United States could help Mexico effectively and in a friendly way now?

Mr. ESTEVA. Well, to begin with, I believe that Carranza could have been absolutely helped, not only being recognized, but left alone, and perhaps even Carranza could bring the country to the front. But the way the thing was done, under the recognition and no help at all, he was in desperate straights for lack of money and confidence of the people. The people that were originally against Carranza would always help him if they saw there was no help to come from Washington, outside of recognition, and that kept the rebels in the field. But if Washington helped somebody down there, that would give guaranties, even if Carranza could give guaranties and receive practical help, I think the country could come back to what it was.

Mr. KEARFUL. You mean financial help?

Mr. ESTEVA. Well, financial help, and not only financial, but all kinds of help Mexico needs to-day.

Mr. KEARFUL. Well, is not financial help the principal help?

Mr. ESTEVA. The principal help; yes.

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Mr. KEARFUL. You know, of course, the present sentiment of bankers who are able to give financial help is absolutely that they will not lend a dollar to the present Government of Mexico without guaranty from the Government of the United States that the money will be properly used, and not only that, but that there will be established and maintained a stable Government?

Mr. ESTEVA. Yes; I know that. But I know also that the bankers will not give the money to Carranza himself, because they are not even sure that Carranza will stay there, because the Administration in Washington may go back on Carranza. I know in New York if they will only be sure that the policy in Washington will be to keep Carranza there they might help Carranza.

Mr. KEARFUL. How would it be possible for the American Government to give the proper assurance to the bankers and to maintain that assurance without being prepared to use armed force? Do you think that would be possible?

Mr. ESTEVA. You mean to give a guaranty to the bankers that the money they will invest there will be safe?

Mr. KEARFUL. Yes.

Mr. ESTEVA. Well, of course, a guaranty Washington might have on Mexico would be more moral than anything else, but if Washington makes the Mexican Government whatever it is, understand that they mean business, and if they will keep their promises and the guaranties that it will give for good and stable government, I believe the Mexican Government, or the Mexicans themselves, will fulfill those obligations.

Mr. KEARFUL. Do you not think it would be very difficult now to make the Mexicans believe that the American Government meant what it said, in view of the many ultimatums that have been sent and receded from?

Mr. ESTEVA. Well, perhaps, but if they will take a firm attitude without vacillating I think the Mexicans are sensible enough to realize it is probably the last chance they have to put the country on a good basis and they will try to do it.

Mr. KEARFUL. Where is the better class of Mexicans living at the present time?

Mr. ESTEVA. Well, they are out of Mexico. Practically all the brains and all the cultured men are away from Mexico.

Mr. KEARFUL. Where are they living, mostly?

Mr. ESTEVA. Well, many are in the United States. There are some in Cuba too, and then there are some in Europe.

Mr. KEARFUL. About what number would you estimate of those Mexicans?

Mr. ESTEVA. Of that class of Mexicans?

Mr. KEARFUL. Yes.

Mr. ESTEVA. Well, no less than 500,000.

Mr. KEARFUL. Do you know about what was known as the Pan American Conference, which was a conference called by six South American countries at the instigation of Washington, for the purpose of attempting to get the different Mexican factions together in 1915?

Mr. ESTEVA. Yes; and I think they even sent invitations to them to do it, and I understand also that they offered President Wilson the permission of the Government using one of the former secre-

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taries of President Madero as president, getting a very good cabinet, and President Wilson offered to consider it, but I think he never acted on that.

Mr. KEARFUL. You remember that the result of that conference was the recognition of Carranza as de facto head of the Mexican Government?

Mr. ESTEVA. Yes; I did not think what you were meaning. Yes; I know they were discussing over there in Washington the recognition of somebody in Mexico, and it was indicated at the time that the best man was Mr. Carranza, and I think the only one in favor of the recognition of Carranza of the Latin American countries was the Argentine ambassador.

Mr. KEARFUL. He was the only one?

Mr. ESTEVA. He was the only one who recommended him strongly.

Mr. KEARFUL. And what was the reason given by him for favoring the recognition of Carranza?

Mr. ESTEVA. Well, I was told—I only know that through the man who told me, who knew about it—he said if Carranza got the responsibility of the Government in his hands he might fall out in six months.

Mr. KEARFUL. Do you remember at the time of the recognition of Carranza it was announced by this Government that the action was taken on the unanimous recommendation of the six southern republics?

Mr. ESTEVA. Yes; but I understand, as I say, that really the only one who advocated it strongly was the Argentine ambassador.

Mr. KEARFUL. Mr. Naon?

Mr. ESTEVA. Mr. Naon; but I understood that it was opposed by the Brazilian ambassador.

Mr. KEARFUL. What is your information as to what happened to Mr. Naon politically because of the attitude he took in favor of Carranza at that time?

Mr. ESTEVA. Well, I was told by some Argentinians who came from there that he was a candidate of the Young Men's Party in Argentina, and after the investigation they made of his mixing up in these Mexican affairs they nominated the one who is president of Argentina to-day.

Mr. KEARFUL. They turned him down?

Mr. ESTEVA. Turned Mr. Naon down.

I want to say that I know of things not in my capacity as consul but as an individual, so I am not giving away any secrets of the service.

Mr. KEARFUL. Is there any statement that you would like to add, Mr. Esteva, in regard to the matters you have been discussing?

Mr. ESTEVA. Well, the only thing is my hope that the United States will see they are responsible for what is really going on in Mexico and that they will do their best to straighten out the things in the best way possible, and then the people in this country will realize the people of Mexico are not cutthroats and bloodthirsty people; that they have always been peaceful, that the peons there are really peace-loving people, and they are, of course, like anybody else; people come around and rouse them only with promises. You can not get Mexicans to raise an army just to go and plunder, but they

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always appeal to some fine sentiment of the people. So the material is there. If those people had good leaders, they would be very good. I think that has been proven in the past in the time of Gen. Diaz, that those people can be very honest and worthy. In that time you could go from one side of the country to the other with gold in your hands and nobody would touch it.

There are some of the people, you know, who are partially educated that have an ambition to get somewhere and they go and arouse some Indians, but they have to go and appeal to some fine instinct in that Indian, as they have done in the past, promising them some land, or the restoration of their own property, and it seems an Indian there never forgets that the land was once his, and that is the one promise that always appeals to him.

Mr. KEARFUL. Which never has been fulfilled, however?

Mr. ESTEVA. Which never has been fulfilled.

Mr. KEARFUL. Do you think it is susceptible of fulfillment?

Mr. ESTEVA. You mean the delivery of the lands to the Indians?

Mr. KEARFUL. Yes.

Mr. ESTEVA. No; not immediately, but I think it is easy to have it done, there are so many lands belonging to the Government and so many lands can be developed; and not to take it away, but to buy it from some of the landowners when they have more than they can put to use, and it can be sold to the low class of Mexicans and the Indians similar to the way it is done in the United States.

Mr. KEARFUL. But you believe that those promises that are made to the Indians to provoke them to join a revolution are purely visionary and dishonest promises?

Mr. ESTEVA. In most of the cases, sir. I suppose there are a few that are in good faith, but in most of the cases it is just an excuse to raise an army.

Mr. KEARFUL. Do you really and sincerely believe that there is any hope for the rehabilitation of Mexico without the assistance of the United States or some other outside power?

Mr. ESTEVA. No; Mexico has to have assistance to come back to the front, but I do not believe, as I say, that the assistance has to come with armed intervention. I think, on the contrary, if armed intervention comes it will set Mexico back many years. But assistance has to come. Mexico is in such shape to-day it can not come back of itself.

Mr. KEARFUL. I am not able to follow you. I do not understand how the United States could assist the real Mexicans to institute and maintain a Government without using armed force. You have stated that there are approximately 500,000, including practically all the best people in Mexico, who are living in exile, who are not able to go back and live in Mexico. Is it possible to put those people back in Mexico and give them a chance?

Mr. ESTEVA. Yes; it is.

Mr. KEARFUL. Without armed force?

Mr. ESTEVA. Without armed force.

Mr. KEARFUL. How can that be done?

Mr. ESTEVA. If Washington will assist, as I said before even Carranza, but assist practically by the backing up of a good man that they will absolutely consider reliable, to form a stable Government,

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with a good cabinet, and if the Mexican people are convinced that is the last chance Mexico has to rehabilitate itself without armed intervention, I think Mexico would come to the front, and all the Mexicans that are away from Mexico would go back and help Mexico, and I think if there is fairness in the Washington Government that chance would be given to Mexico before there is recourse to armed intervention.

Mr. KEARFUL. But, as I understand you, such assistance, in order to be effective, must be accompanied by the firm declaration that if a straight line is not pursued then Mexico must expect armed intervention.

Mr. ESTEVA. Armed intervention. You know if the bankers only knew Washington was going to help a man and help him decidedly and firmly they would come to the assistance of that Government, but I know positively the bankers are not assisting the Carranza government because they are not sure themselves that Carranza will be helped to the limit. I have had several talks myself with bankers in New York and I have been told that they have not absolute confidence in their own Government about a firm policy toward Mexico.

Mr. KEARFUL. Is there any difference of opinion among them about that point?

Mr. ESTEVA. Practically none.

Mr. KEARFUL. Is there anything further, Mr. Esteva?

Mr. ESTEVA. No, sir; unless you have something else to ask me.

Mr. KEARFUL. No. Thank you, very much. You will be excused.

(Witness excused.)

(Whereupon, at 11.40 o'clock a. m. a recess was taken until 1.30 o'clock p. m.)

AFTER RECESS.

The hearing was resumed at 1.30 o'clock p. m.

TESTIMONY OF J. H. DICKMAN.

(The witness was duly sworn.)

Mr. KEARFUL. Please state your full name.

Mr. DICKMAN. J. H. Dickman.

Mr. KEARFUL. What is your place of residence?

Mr. DICKMAN. Mountain Lake, Minn.

Mr. KEARFUL. Are you connected with a company that has been operating in Mexico?

Mr. DICKMAN. Yes, sir.

Mr. KEARFUL. What is the name of it?

Mr. DICKMAN. It is the Associated Tropical Plantation Co.

Mr. KEARFUL. What sort of operations did that company have in Mexico?

Mr. DICKMAN. Operating a banana plantation.

Mr. KEARFUL. In what State.

Mr. DICKMAN. Vera Cruz.

Mr. KEARFUL. How many acres was in the plantation?

Mr. DICKMAN. The whole estate comprised about 24,000 and there were about 4,500 acres planted to bananas.

Mr. KEARFUL. Does the company own the title to this land?

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Mr. DICKMAN. Under a contract.

Mr. KEARFUL. What amount of money was invested in this plantation?

Mr. DICKMAN. About $3,000,000.

Mr. KEARFUL. Was it fully equipped and stocked and in full operation?

Mr. DICKMAN. Yes, sir.

Mr. KEARFUL. Up to what time?

Mr. DICKMAN. About 1916.

Mr. KEARFUL. What happened to it at that time?

Mr. DICKMAN. Well, we were driven away. The rebels drove our management away from the plantation.

Mr. KEARFUL. How many men were employed by the company on the plantation?

Mr. DICKMAN. At that time possibly about 80. I think prior to that time we used to employ around 300.

Mr. KEARFUL. Is this a close corporation or is the stock of it held pretty generally by people in the United States?

Mr. DICKMAN. Held pretty generally.

Mr. KEARFUL. In what portion of the country?

Mr. DICKMAN. All over the United States and Canada from coast to coast.

Mr. KEARFUL. What method of transportation was used by the company from the plantation to the coast?

Mr. DICKMAN. Boats.

Mr. KEARFUL. How far was it?

Mr. DICKMAN. Well, approximately about to Galveston——

Mr. KEARFUL. No; to the Pacific coast?

Mr. DICKMAN. Forty-seven miles.

Mr. KEARFUL. What means of transportation—by boat or barges?

Mr. DICKMAN. By boat. The river afforded transportation for a boat that we used that was 220 feet long and it could turn right around in the river and swing right up to the banks and load the bananas.

Mr. KEARFUL. How many boats did you have?

Mr. DICKMAN. We had one.

Mr. KEARFUL. What became of the boat?

Mr. DICKMAN. That has been sold. I might explain that probably a little further. The Gulf Coast Plantation Co. and the Associated Tropical Plantation Co. were very closely related to each other in having stockholders of either company interested in both of the plantations, and the Gulf Coast Plantation Co. was the older of the two, and that company purchased a steamer and in connection with that the Associated Tropical Plantation Co. made a contract with the Gulf Coast Plantation Co. to haul its bananas, you know, for so much a bunch or so much a hundredweight to the market, and our bananas were a little farther in and they would load what we had at Filasola and then go to Tabasqueña.

Mr. KEARFUL. What happened to the plantation when the men were driven away?

Mr. DICKMAN. All the buildings have been destroyed and the plantation has gone back to jungle.

Mr. KEARFUL. How long has it been since it has been possible to conduct any operations there?

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Mr. DICKMAN. Some time in 1916 is my best recollection of that

Mr. KEARFUL. Has any attempt been made by the manager of your company to return to the plantation recently?

Mr. DICKMAN. Yes, sir.

Mr. KEARFUL. Has he been able to do so?

Mr. DICKMAN. No, sir.

Mr. KEARFUL. For what reason?

Mr. DICKMAN. He was warned by the Carranza authorities at the port of Mexico not to attempt to go there.

Mr. KEARFUL. Then, I understand that the plantation and the money invested, amounting to $1,000,000, is now a total loss?

Mr. DICKMAN. Yes, sir.

Mr. KEARFUL. With the exception of the land itself?

Mr. DICKMAN. The land itself.

Mr. KEARFUL. Which has practically returned to a jungle condition?

Mr. DICKMAN. Yes, sir.

Mr. KEARFUL. When do you expect to be able to resume operations there?

Mr. DICKMAN. We could not expect to resume operations there before the Mexican Government would be in shape to insure us protection. Just when that will be I do not know. It may be a long time hence.

Mr. KEARFUL. Have you any indication that such protection will be given in any reasonable period?

Mr. DICKMAN. No, sir.

Mr. KEARFUL. Have any promises been made you now by the Mexican Government in that respect?

Mr. DICKMAN. No, sir.

Mr. KEARFUL. At the time of the destruction of this property was any effort made to get protection from the Carranza government?

Mr. DICKMAN. No, sir; I do not believe so.

Mr. KEARFUL. Did you make any effort to get protection from this Government?

Mr. DICKMAN. No, sir.

Mr. KEARFUL. This is an American corporation, is it?

Mr. DICKMAN. Yes, sir.

Mr. KEARFUL. You were not personally on the ground when the destruction of this property occurred, were you?

Mr. DICKMAN. No, sir.

Mr. KEARFUL. You are testifying from reports that were made by your manager?

Mr. DICKMAN. My manager; yes.

Mr. KEARFUL. Where is he? Is he available?

Mr. DICKMAN. At the present time I believe he could be reached at Houston; that is his home.

Mr. KEARFUL. Houston, Tex.?

Mr. DICKMAN. Yes, sir; but he is about to sail to Minatitlan about the 27th of this month. I think he has transportation for that date.

Mr. KEARFUL. He is engaged in some other business now?

Mr. DICKMAN. Since he had to leave our plantation he has been working for Pierson & Sons, the oil refinery.

Mr. KEARFUL. Have you filed your claims against the Mexican Government with the State Department?

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Mr. DICKMAN. I have not.

Mr. KEARFUL. Is there any other statement in connection with this matter that you desire to make?

Mr. DICKMAN. No; I do not know of anything that has any bearing on the case here. We had about 200 head of cattle there and some horses and everything was taken away, if that has anything to do with it.

Mr. KEARFUL. Any money stolen?

Mr. DICKMAN. No; I don't think so.

Mr. KEARFUL. The ranch supplies—were they taken away?

Mr. DICKMAN. Everything.

Mr. KEARFUL. And the buildings were destroyed?

Mr. DICKMAN. Every building.

Mr. KEARFUL. That will be all, I think. Thank you, sir.

(Witness excused.)

TESTIMONY OF W. B. LOUCKS.

(The witness was duly sworn.)

Mr. KEARFUL. Please give your full name.

Mr. LOUCKS. Walter B. Loucks.

Mr. KEARFUL. Where do you live?

Mr. LOUCKS. Minneapolis, Minn.

Mr. KEARFUL. That is your post-office address?

Mr. LOUCKS. Yes, sir.

Mr. KEARFUL. You are an American citizen?

Mr. LOUCKS. Yes, sir; born in this country.

Mr. KEARFUL. What connection have you had with operations in Mexico?

Mr. LOUCKS. You mean with relation to my company?

Mr. KEARFUL. Yes, sir.

Mr. LOUCKS. I have been the chief executive since the year 1912.

Mr. KEARFUL. Of what company?

Mr. LOUCKS. Tabasco Plantation Co.

Mr. KEARFUL. Operating where?

Mr. LOUCKS. In the States of Tabasco and Vera Cruz in Mexico.

Mr. KEARFUL. What was the capital of the company?

Mr. LOUCKS. An authorized capital of $5,000,000; about $2,000,000 of which was invested in our properties in Mexico.

Mr. KEARFUL. What sort of properties were they?

Mr. LOUCKS. We have what is known as plantation San Miguel Juarez, situated in the State of Tabasco. This consists of 7,300 acres and was formerly devoted to the raising of bananas, cacao, rubber, and cattle.

Mr. KEARFUL. Is the stock of your company widely held?

Mr. LOUCKS. Yes. We have on our records a little better than 2,600 stockholders. They are scattered throughout the various States of the Union, and about $500,000 of the stock is held in Canada.

Mr. KEARFUL. What is the name of the plantation?

Mr. LOUCKS. The second one is known as Plantation La Oaxaquena, which is situated in the State of Vera Cruz, the southwestern part on the ——— River. The nearest town is Santa Lucrecia.

Mr. KEARFUL. That is composed of how many acres?

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Mr. LOUCKS. Twenty-four thousand eight hundred.

Mr. KEARFUL. How are the titles to those properties held by the company?

Mr. LOUCKS. They are held by the Tabasco Plantation Co. Originally there was what was known as the Tabasco Land & Development Co., which originally purchased the property. The title was held in escrow by the Chicago Title & Trust Co. until the year 1909, when the contract for development purposes with the development company expired, at which time the property was deeded to the Tabasco Plantation Co. and so held.

Mr. KEARFUL. Held by what sort of title?

Mr. LOUCKS. Warranty deed.

Mr. KEARFUL. Where did the title originate?

Mr. LOUCKS. With us it originated with the purchase from one Pedro Ruiz—I am speaking now of the La Oaxaquena, because that is our major investment. It was purchased in the year 1903 from Pedro Ruiz, a Spaniard in Mexico. The property was deeded by him to the Tabasco Land & Development Co. and, as I said before, in the year 1909 was by the Chicago Title & Trust Co. deeded to the Tabasco Plantation Co.

Mr. KEARFUL. What sort of business was conducted on this plantation?

Mr. LOUCKS. We are employed in the growing of sugar cane and the manufacture of sugar.

Mr. KEARFUL. Will you describe in a general way the extent of the plant established for that purpose?

Mr. LOUCKS. We have a mill with a capacity of 1,000 tons of cane daily, capable of being increased to the point where it could handle 3,000 tons of cane daily; an entire establishment, including sugar factory, warehouses, and all that would go with a modern plant.

Mr. KEARFUL. All sorts of modern machinery installed?

Mr. LOUCKS. At the time it was installed it was the most modern that could be purchased.

Mr. KEARFUL. Railway tracks and cars?

Mr. LOUCKS. We have something like 35 kilometers of railway track on the plantation and had under cultivation 4,000 acres of cane.

Mr. KEARFUL. How many men were employed?

Mr. DICKMAN. That varied with the season. During the grinding period we employed from 1,500 to 2,000 men; in the dull season we employed around 600 men.

Mr. KEARFUL. What accommodations did you provide for the employees?

Mr. LOUCKS. We had a complete camp with between 150 and 200 houses for the employees, and running water to each and every one of the houses, and it was as near modern as we could furnish under the circumstances we were working under in Mexico.

Mr. KEARFUL. What were the wages paid to the employees?

Mr. LOUCKS. I have a schedule here of not only the number but the nationality and the amounts paid to the various nationalities going back to the year 1913. Taking the month of April I think there were 1,536. There appears to be an error in your copy. It is 1,553. This shows that we were paying the Japanese at that

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time—we had some 35 in number—an average of $2.01; that is in Mexican money. We were paying the natives $1.73; we were paying another set of natives 1 peso and rations, which was equivalent to about $1.60, and another set $1.50; another set of Koreans $1.56. We were paying in salaries to our storemen—we had 10 at that time—an average of $262.50 per month.

Mr. KEARFUL. These storemen, were they natives?

Mr. LOUCKS. They were with the exception of the manager.

Mr. KEARFUL. How does that scale of wages compare, if you know, with that which was earned by the Mexican natives before your enterprise was started there?

Mr. LOUCKS. Before the Americans went to the Isthmus the Mexicans were working for anything from 16 centavos up.

Mr. KEARFUL. Up to what point?

Mr. LOUCKS. There was no established wage, because there was no labor. Just back of us in the State of Oaxaca they were paying 37 centavos a day in the mines and that was the maximum.

Mr. KEARFUL. Then would you say that the scale ranged from 16 centavos to 37 centavos?

Mr. LOUCKS. Yes.

Mr. KEARFUL. During the rule of Porfirio Diaz and Madero and Huerta, was there ever any trouble?

Mr. LOUCKS. We had trouble under the Madero administration. We had none except the usual difficulties that go with an enterprise of that kind in Mexico up until the time of Madero.

Our first difficulty with Madero was in connection with a certain class of labor which we were employing. It was called the enganche labor, a certain form of servitude. They were the criminal class which were gathered together in groups in various towns and were by the officials of the Government farmed out to various enterprises for a consideration.

The Madero government, as its first step of gratitude to the Mexican people, liberated all the prisoners including all classes, such as the enganche labor I have mentioned. That was the first step of the Mexican Government in liberating the Mexican people.

We had prior to this made individual contracts with all these men, all this class of men which we had on the plantation and the men were prepared to remain and willing to remain. The officials of the Madero government came to us and demanded that we release them, and not only demanded that we release them, but that they leave the place and that we appear at Santa Lucrecia and liquidate them. That was the first real trouble in the labor way.

Mr. KEARFUL. The men themselves were willing to remain?

Mr. LOUCKS. We had no trouble with them.

Mr. KEARFUL. They were under contract?

Mr. LOUCKS. They were under contract originally and then they were under individual contracts that we had made specifically with them.

Mr. KEARFUL. And they were willing to remain?

Mr. LOUCKS. They were willing to remain.

Mr. KEARFUL. Was there any hostility shown by the laborers against you or other Americans operating there up to the time of the fall of Huerta?

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Mr. LOUCKS. None whatever.

Mr. KEARFUL. How many Americans did you employ on the plantation?

Mr. LOUCKS. We had something like 60—something like 50, I would say, at the time the Huerta difficulty took shape.

Mr. KEARFUL. What things were provided for the welfare and education of the people employed on the plantation?

Mr. LOUCKS. We had on the plantation a school and sometimes two; we had a hospital and an American physician with assistants; all medicines and supplies of that kind were furnished. Prior to the Madero administration we charged all of our employees, including the manager, 2 per cent for medicine and hospital services. After that it was all free to the natives, or free to all of our employees as a matter of fact. The houses were also free and all of the accommodations furnished by the company. They were of no expense whatever to the natives.

Mr. KEARFUL. What was the relative importance of the Tabasco Plantation Co. compared with other companies operating in that locality?

Mr. LOUCKS. I think I am justified in saying we were looked upon as the one of most importance on the Isthmus. We produced as high as 11,000,000 pounds of sugar for the crop year of 1911–12, which was our banner year.

Mr. KEARFUL. Did you operate under special privileges or concessions granted by the Mexican Government?

Mr. LOUCKS. We had no concessions and were asking none.

Mr. KEARFUL. Did you comply with the laws of the country in every respect?

Mr. LOUCKS. We complied with the laws and kept out of politics at all times.

Mr. KEARFUL. Did you ever take side with any faction or promote any revolution?

Mr. LOUCKS. None whatever. We kept ourselves very free and our instructions to our managers were always to have nothing whatever to do with the political side of the case.

Mr. KEARFUL. How much in money did your investment represent?

Mr. LOUCKS. The La Oaxaquena represents nearly $2,000,000, and in addition to that we had an accumulation of nearly $500,000 in working capital. Our property was paid for and, therefore, that should be added to our total investment.

Mr. KEARFUL. With respect to your outstanding obligations?

Mr. LOUCKS. We had none whatever except for current bills which were always liable to be for purposes for the store and small amounts like that, but no obligations of any kind.

Mr. KEARFUL. Which were liquidated——

Mr. LOUCKS. Whenever the bill matured.

Mr. KEARFUL. Was it a successful and profitable business?

Mr. LOUCKS. It was just coming to the point where it was profitable and we were to the point where we had hoped to pay quarterly dividends in 1912, and did so declare the first dividend in the year 1912 of 1¼ per cent.

Mr. KEARFUL. When did your first trouble begin—with what event?

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Mr. LOUCKS. Our real troubles, aside from what I have just enumerated, started about the 22d day of April, 1914, on the occasion of the American forces taking the city of Vera Cruz.

Mr. KEARFUL. What was your output of sugar at that time?

Mr. LOUCKS. We had just removed a crop of, I think it was, 62,000 tons for that season. We had the crop harvested and almost the entire product was stored in the warehouse, about 38,000 bags of sugar of 220 to 250 pounds each, besides the alcohol which was manufactured from the by-product of molasses.

With the occupation of the city of Vera Cruz by American forces we were immediately waited upon by officials of the Mexican Government and the first step on their part was to deprive us of our arms and munitions which had been granted up to this time. That was the beginning of our real difficulties.

Mr. KEARFUL. Before going into the description of your difficulties I will ask you if this is a tabulated statement showing the amounts of production from the year 1912 to 1918?

Mr. LOUCKS. Yes, sir; that is taken from the scale weights at the mill. It ranges from 72,525 tons for the year 1912 to 8,306.

Mr. KEARFUL. Let that be inserted in the record.

Year.	Finished grinding cane.	Total tons cane.	Total bags sugar sacked.
1912	June 8	72,525	50,732
1913	May 15	60,391	38,473
1914	Apr. 1	61,496	38,265
1915	July 12	44,331	26,164
1916	June 21	30,674	17,098
1917	Apr. 16	7,809	4,076
1918	May 22	8,306	.....

The above figures show the decline in production, year by year, since 1912, due to revolutionary conditions.

Mr. KEARFUL. I notice that the amount of cane is given for the year 1918 as 8,306 tons, as against 72,525 tons for the year 1912, and that the figure for the total bags of sugar sacked for the year 1918 is left blank. Does that indicate there was no production?

Mr. LOUCKS. Very little sugar was made in that year, and of such a nature that you could hardly call it sugar. Seventy-two thousand tons hardly represents our production for that year, owing to the fact that our men were partly taken from us.

Mr. KEARFUL. For the year 1912?

Mr. LOUCKS. 1912, and we failed to harvest nearly 600 acres which was ready for harvesting on account of having the labor taken from us by the Madero Government. We should have harvested that year approximately 100,000 tons.

Mr. KEARFUL. How did that compare with the year 1911?

Mr. LOUCKS. The year 1911 we harvested 60,000 tons. In the meantime we had put into crop about 1,300 extra acres, which was the reason for the larger crop of the next year, when that came into bearing for the first time.

Mr. KEARFUL. What production have you had since the year 1918?

Mr. LOUCKS. Relatively nothing. We are simply keeping a seed bed alive in order that we may have something to start the fields again if opportunity presents itself.

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Mr. KEARFUL. Now, will you proceed in your own way to describe the difficulties that you encountered, beginning with the landing of the American forces at Vera Cruz.

Mr. LOUCKS. Our people were first ordered—our American employees were first ordered to the Port of Mexico by officials of the American Government as well as the officials of the Mexican Government. They proceeded to the Port of Mexico, were told to get on board a ship which was in the harbor, with the understanding that they would be landed again the next morning. Instead of being landed the next morning they were brought to Vera Cruz, and with the exception of our manager, our field superintendent and engineer. the balance of the party were brought to New Orleans by the American Government. They were landed there, and we were advised in Minneapolis that our employees were there.

Our manager, through his influence, or, rather, his acquaintance with some of the officers who were sent to Vera Cruz, got permission to land at Vera Cruz, and with him his field superintendent and engineer. He remained there for a period of about four months and tried through correspondence to take charge of the operations of the plantation. After several weeks he finally succeeded in getting our engineer back to the place under the British flag. I think it was about the 1st of October that our engineer considered it was safe for himself and his field superintendent to return.

Mr. KEARFUL. 1914?

Mr. LOUCKS. Yes. I want to say right here that our native employees were quite loyal to the company during this difficult time, and when we got back the only loss or destruction we could discover was in the administration houses, and that had been caused by the forces of the Government. Our employees had remained faithfully at work and were willing to stay and work.

Mr. KEARFUL. Without any American overseer?

Mr. LOUCKS. Without any American overseer, notwithstanding our Government was at war with Mexico. That will give you an idea of the relations between the company and its native employees.

Mr. KEARFUL. Did you ever have any difficulty in getting protection from Huerta while he remained in power?

Mr. LOUCKS. None whatever; and we were protected in every sense of the word, so much so that we had no complaints whatever to offer, and we carried on the operations at the plantation in absolute peace and security.

Mr. KEARFUL. Do you know of any hostility by Huerta or his Government toward any Americans before the taking of Vera Cruz?

Mr. LOUCKS. I do not, any more than that, I do not recall that a single American lost his life in Mexico during the Huerta administration for 15 months. I don't recall any.

Mr. KEARFUL. Even with the taking of Vera Cruz, Huerta protected the Americans?

Mr. LOUCKS. Absolutely. The officers who came to the place to remove the ammunition were as courteous to us as we could ask. They said they were doing it for our own good, because no one knew what might happen with the state of affairs going on, and what might happen if it continued to get worse. They regretted to do so, but were compelled by orders to carry out the plan.

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Mr. KEARFUL. Please proceed to describe your operations from that time on.

Mr. LOUCKS. It would be a very difficult matter to describe what happened to us after that. I think it would make a story longer than I would care to tell or you would care to listen to, because it was continual. We could not do anything, seemingly, to satisfy the officials of the Carranza Government.

Mr. KEARFUL. When did the officials of the Carranza Government commence their operations in your locality?

Mr. LOUCKS. We began to feel the effects of them in August or September of the year 1914. At that time we were trying to ship some raw sugar to New York. Our first obstacle was when we assembled a cargo of sugar at the port of Mexico. It was raw sugar, and we asked for permission to ship it to New York. We were told by an official who represented the Carranza faction that he would not permit the sugar to go. He wrote us a very disagreeable letter stating his reasons, and we later took the sugar back to the plantation. That was the beginning of real hostilities.

Mr. KEARFUL. What were the reasons given for not permitting the sugar to go?

Mr. LOUCKS. He stated that we were raising the price of our sugar and that the native employees were being robbed. Until we came to the point where we were willing to reduce the price he would not permit us to ship any sugar abroad, notwithstanding all our sugar had been sold under contract, and we could not raise the price if we wanted to. As a matter of fact, all the sugar I just mentioned was sold by myself before leaving the planation, with the exception of this little raw sugar—was sold under contract before I left the plantation. The price was agreed upon and the fact that the price rose in New York had nothing whatever to do with ours. I might add that some of the Yucatan merchants to whom I had sold took some of that sugar and reshipped it to New York at a profit, but we were not responsible. We sold that sugar in the month of April.

Mr. KEARFUL. What Government was operating in Yucatan?

Mr. LOUCKS. I am not prepared to state. Most of our product went to Yucatan.

Mr. KEARFUL. It was Carrancista?

Mr. LOUCKS. It was Carrancista.

Mr. KEARFUL. There was absolutely no truth, then, in the position?

Mr. LOUCKS. Absolutely no truth or justice. We had absolutely no sugar to sell at that time except some raw sugar that you could not use without it being refined, and that was being sent to New York.

Mr. KEARFUL. When were the first depredations committed on your plantation?

Mr. LOUCKS. In 1917 the first raid took place.

Mr. KEARFUL. Was that by the Carrancistas?

Mr. LOUCKS. It is hardly fair to say that the first was then. I have a schedule here showing when we had visits of other elements in the district which were called by the Carrancista forces bandits. It is very difficult to consider our position without taking these matters together.

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April 24. This happens to be a deposition by our assistant manager, Mr. F. W. Moore, now deceased, who was with the company for many years and had charge of all confidential matters. This shows that on April 24, 1916, or two days after the American forces had landed in Vera Cruz, there were 1,164 cases of alcohol, of 34 liters each, confiscated by one Maj. Jose M. Figueroa, chief of garrison at Santa Lucrecia. That appears to be the first loss.

Mr. KEARFUL. Was that a Carranza garrison?

Mr. LOUCKS. That was under Huerta. That was shortly after Huerta started out.

Then there is the taking of the guns. I have a detailed list here of the amounts taken.

Mr. KEARFUL. I had reference to actual depredations by bandits.

Mr. LOUCKS. I want to take these in their order, but we will come to that.

Mr. KEARFUL. Very well.

Mr. LOUCKS. On October 31 was apparently the first clash in a dollars-and-cents way with the Mexican Government.

Mr. KEARFUL. What year?

Mr. LOUCKS. 1914. We had purchased about 20,000 pesos of stamps which have to be attached to the bills of lading; we had purchased them from the Government in the regular way, paid for them, when we were advised by the officials in Mexico City that there was a new issue of stamps and we would have to exchange what we had on hand for those that were to be used from then on. This involved about 6,000 pesos. We asked that they be good enough to make the exchange for new ones, and they told us no. Considerable correspondence took place, and they finally told us they would give us 10 days, I think it was, to return the stamps or be fined in the sum of 15,000 pesos, as I recollect it.

I took the manager and the stamps and visited the City of Mexico and presented the entire matter to the Brazilian minister, who was then acting for our interests in Mexico. That appears to be the first loss. I might add that we never got anything out of it.

Now, we come to 1915, June 30, cash for the bandit Alor. That was before any Government was recognized. The first was for 500 pesos on the 30th of the same month.

Mr. KEARFUL. Was that tribute exacted?

Mr. LOUCKS. That is payment to them, as they claim, for the protection of our shipping up and down the river. These bandits were in control of the river and the river was our only means of transportation. They stated to us if we would assist them in their military organization they would protect our shipments. There was very little left for us to do but comply.

On June 30, 2,000 pesos; on August 6, 10, 14, 24, 26, 27, 28, 30, 31—twice on the 31st—they appeared at the plantation taking various articles, a list of which I have here, and all of which was receipted for by them. Again in September of the same year, October, November, December, at various times they appeared at the place and took from the store goods amounting in all to 9,136.76 pesos.

In December of the same year I find a charge for Carrancista soldiers at the plantation of 799.98 pesos.

Mr. KEARFUL. That represents the garrison?

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Mr. LOUCKS. That represents the garrison which we were supplying with food. In June to December, 1915, estimated value of bedding and other articles stolen from plantation clubhouse by Alor's bandits, 1,262 pesos.

February, 1915, to fine imposed by civil judge at Minatitlan for violation of labor law, 500 pesos. I might add in that connection that after much controversy the judge told us that we were not culpable, but the fine was never returned.

Mr. KEARFUL. What was the charge? With what crime were you charged?

Mr. LOUCKS. I do not recall. It was some violation of the new labor law; I don't recall just exactly what that charge was, but it later proved that it had nothing to do with our men but with some of the contractors' men who were on the plantation. We employed several contractors and they had under their jurisdiction their own particular body of men. The matter was taken up with the military authorities at Vera Cruz and was finally adjusted in this fashion, that while the company was not culpable and should not be fined the 500 pesos, in view of the fact the law had been violated on our place by the contractors the contractors should be fined 200 pesos each—I think it was five of them—and that the company should see that the fine was paid. So we got further into trouble by talking about it.

On August 13, 1915, Mr. E. F. Wells, our auditor, was returning from Vera Cruz to the plantation, bringing with him money belonging to the plantation to the amount of ₱10,000. His train was assaulted by bandits and Mr. Wells killed and the money carried away by the bandits. On leaving the plantation for Vera Cruz a few days before Mr. Wells took with him a draft belonging to the plantation to collect same, which he did, but as he could not report the disposition of the money it was lost to the plantation. The amount of this draft was ₱1,003. That is in excess of the ₱10,000.

I think I will read the balance here, because it will give you an idea of the difficulties we were encountering.

January 14, 1916, Amduring & Co., of Vera Cruz, reported they had attempted to resell the sum of $460 in bank bills which Mr. Fouche, our employee, had left with them for that purpose; that $325 of the amount was rejected as counterfeit, but not returned to the company. Whether the bills were bad or not I do not know, but they were in forcible circulation and it was a crime to refuse to accept the money in circulation.

That will give you an idea of the difficulties. We were compelled to bring money of one kind or another to certain places to have it revalidated. We would hand it to an official and he would tell you to come back at 2 o'clock. Perhaps he would be there when you came back and perhaps he would not, and he would hand you whatever he saw fit and no questions were to be asked.

Mr. KEARFUL. Was any question raised as to whether the money was counterfeit?

Mr. LOUCKS. There were no questions answered or asked by the officials. It was simply handed to you; nothing whatever said about their being counterfeit.

Mr. KEARFUL. Would they exchange the actual amount?

Mr. LOUCKS. Oh, no; nothing was given in return. They simply handed you back what they saw fit.

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Mr. KEARFUL. Would that be considerably less——

Mr. LOUCKS. Always less.

Mr. KEARFUL. No reason was given for that?

Mr. LOUCKS. No; in this country we would call it plain stealing.

March 18, 1916, another fine for violation of labor law imposed by Civil Judge Luis Selana, of Santa Lucrecia, Vera Cruz, amount deposited. Appeal demanded to the governor of the State. No decision up to date, April 29, 1916.

I just want to say a word of explanation. Shortly after the Carranza force came into power we were visited by a labor inspector, who immediately set about to discourage the men and disorganize the work at the plantation, and he was very successful. He got the men to the point where they did not consider they had any obligation to the company, where they did not have to work if they did not wish to; and he went so far as to tell them that they could not be ejected from the houses if they did not work.

Mr. KEARFUL. Houses that belong to the company?

Mr. LOUCKS. Houses that belonged to the company.

Mr. KEARFUL. And that they were occupying free of charge?

Mr. LOUCKS. That they were occupying free of charge, which placed us in a position where it was next to impossible for us to operate, because there was a certain element there that was willing to take advantage of that situation. This fine that I am speaking of was the result of another visit of—I think the man's name was Llano. He came to the place, accepting our hospitality, even borrowed ₱200 from the manager, stayed there several weeks. We tried to show him how we were endeavoring to operate and make work for the natives. We did all we could to satisfy him and them. He left the place.

A few days later our manager was ordered to appear at Santa Lucrecia, and this 1,000 pesos of fine was imposed as a result of this man's visit, and these were the charges: They fined us 200 pesos because some laborer reported that he had worked after 6 o'clock; 200 pesos because we did not have separate schools on the plantation where the boys and girls could go separately; 200 pesos because in his judgment the hospital was not up to legal requirements.

Mr. KEARFUL. There were schools and hospitals that were maintained by the company free of charge?

Mr. LOUCKS. By the company, and that we furnished at a cost of probably 5,000 pesos a month.

Mr. KEARFUL. That was voluntary on your part?

Mr. LOUCKS. Yes.

Mr. KEARFUL. There was no law requiring you to do it?

Mr. LOUCKS. Yes; there was a law at this time. You had to furnish the hospital free. The new law of Mexico, I think, provides that any plantation employing more than 200 men must provide all this, and we came under that law.

Mr. KEARFUL. But you had established those things before the law was passed?

Mr. LOUCKS. Oh, yes; long before that.

Two hundred pesos because some employees had appeared at the plantation with nothing to eat, unfit to work, and before going to work our manager had given them an order on the store to get something in order to keep them alive. Two hundred pesos because we

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were liquidating the men, or paying the men, rather, every 10 days instead of every 7 days, as the new law required, notwithstanding we had the written consent of the previous governor of the State of Vera Cruz to pay every 10 days, owing to the fact it was almost impossible to get the money to the plantation.

That will give a good idea of the assistance the Carranza Government was trying to give us in those parlous times. I learned later that this inspector received 40 per cent of the fines, and that showed where his interests lay.

June 15 to January, damage caused by losing our steamer and time lost when boat was detained, 3,146.17 pesos.

To damages since January to April 6, 1916, by boat not running on account of danger to be incurred, he still dominating the river, 8,506.74 pesos.

I might say that during this period the Carranza Government had sent a general to the plantation for the avowed purpose of cleaning out the bandits down the river. His name was Col. Silva. He had a detachment of about 40 or 50 men. He requisitioned our steamboat and our barges and started down the river. They got in sight of where the bandits ought to have been, turned around, and came back to the plantation. Now, to give you a better idea of the way things were going in that district, that same Col. Silva wound up by using our boats and barges to transport hides and stuff which the bandits were furnishing him to sell at, I presume, a divvy, and instead of cleaning up the bandits they were cleaning up the farmers in that particular district. The last I knew the Carranza Government had Col. Silva in jail.

Mr. KEARFUL. You do not know what they did with him?

Mr. LOUCKS. No: I do not know what they did with him. They then sent a fellow by the name of Villamar. He is the only man I ever saw in the Carranza army who looked like a soldier. He was an old Chapultepec man and apparently a fine fellow. He was taken by another Carranza officer and invited to dine with him and wine with him and taken on the hill and shot. Now, his chief offense was, so far as I can learn, that he was an old Porfirio Diaz man.

I am telling these instances of what happened up and down the river so you will get this connection, that the Carranza government, instead of exterminating the bandits, was only stirring up antagonism for our company. We, at that time, were in perfect good standing with the bandits who were operating up and down the river, but when they saw our boats being used by the Government soldiers to come down and shoot their men—and, I believe, as a matter of fact, there were three or four men killed, they then swore vengeance on the Tabasco Plantation Co. for allowing their boats to be used for that purpose. You will now see how we found ourselves between the two millstones to be ground out of existence.

Mr. KEARFUL. You had a garrison of Carranza soldiers on the estate?

Mr. LOUCKS. That appears to be the next item: Rations issued to soldiers who were garrisoned on plantation La Oaxaquena, 5,773 pesos.

Mr. KEARFUL. That was a direct payment made for special protection?

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Mr. LOUCKS. That was rations given to them for protection.

Mr. KEARFUL. What protection did they afford?

Mr. LOUCKS. They got us into more trouble than they ever got us out of. They were the chief cause of our trouble. They could neither protect us or prevent us from getting into conflict with others.

Mr. KEARFUL. What operations they conducted against the revolutionists resulted, as I understand you, in further reprisals on the part of the rebels.

Mr. LOUCKS. Antagonism and reprisals.

Mr. KEARFUL. And reprisals by the rebels would result in further incursions by the Carranza soldiers?

Mr. LOUCKS. Further nonsense. Put it that way. In fact, the rebels demanded of us that we get the soldiers off the plantation and they stated to us at the same time, "We will give you ample protection." And I might say, in passing, so long as the friendly relations existed the only loss to the company was the matter of a few pesos now and then.

Mr. KEARFUL. The rebels did afford you protection so long as the Carranza soldiers stayed away?

Mr. LOUCKS. So long as the Carranza soldiers stayed away. That later became our reason for being obliged to close down because it was impossible to operate, situated as we were on the river with our only means of transportation going up and down the line which was controlled by the bandits. This made it impossible to operate successfully without the consent of the Carranza government.

Mr. KEARFUL. When did you finally close down?

Mr. LOUCKS. The 1st of May, 1917.

Mr. KEARFUL. What action was subsequently taken with reference to an attack upon your titles by the Carranza government?

Mr. LOUCKS. During the month of September, 1918, we were notified by our representative in Mexico City by wire that the original concession from which our property was derived had been declared canceled by the Carranza government and we were given until the first day of October of the same year in which to appear before the Department of Fomento and take up the matter of revalidation; failing to do so the property would revert to the Mexican Government. That came to Minneapolis by wire about the 20th of September, 1918.

Mr. KEARFUL. What was it necessary for you to do in order to revalidate your titles?

Mr. LOUCKS. The first thing I did was wire the substance of the letter to the State Department at Washington and request a night-letter reply. That was the first step. I then wrote our representative in Mexico City to await the advice from Washington.

I might say that I wired—as soon as the reply came—I wired the substance of the reply to our representative in Mexico City and sent a confirmation in a closed envelope. In the course of time I received a reply stating that the letter came but the wire never reached them; it had been intercepted by the Mexican Government.

Mr. KEARFUL. What was the requirement of the Mexican Government with reference to revalidation?

Mr. LOUCKS. They asked that we must waive our nationality right and prove title to the property. We corresponded back and forth

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for months. They finally asked for the deeds, every bit of evidence having to do with the purchase of the poperty, and while doing this they took up the matter with our local representative at the plantation and submitted a set of questions which they requested that he answer categorically. As soon as I discovered what was going on I wired and stopped that information coming from that end. One of the questions they wanted answered from him was when we closed down operations and why we closed down operation, how many employees we had on the plantation, what was the nature of our operations and the magnitude of our investment, stating as they did that they wanted this information in order to give a firm reply to an inquiry which had come from the State Department at Washington, D. C.

Mr. KEARFUL. What did you understand was meant by a waiver of national rights?

Mr. LOUCKS. Agree to comply with the provisions of article 27, which states that no foreigner can ask for assistance from his Government in case of trouble with the Mexican officials upon penalty of losing his property in case of violation.

Mr. KEARFUL. If your property was taken or destroyed you would have no recourse to your own Government?

Mr. LOUCKS. Absolutely.

Mr. KEARFUL. What was the outcome of that?

Mr. LOUCKS. Eventually the Carranza government issued a manifesto in the Diario Oficial, a paper which is published in an official way, stating that the Tabasco Plantation Co. was the present owner of the property La Oaxaquena; that all officials would take due note of that fact. I might add that we did not waive our nationality rights.

Mr. KEARFUL. While this negotiation was pending was there any proposition made by third parties as to fixing the matter up by the payment of a sum of money?

Mr. LOUCKS. The suggestion was made that for 10,000 pesos they thought the matter could be settled or handled.

Mr. KEARFUL. Did you accede to that proposition or entertain it?

Mr. LOUCKS. None whatever.

Mr. KEARFUL. You did not pay any money?

Mr. LOUCKS. None whatever excepting the costs and attorney's fees and necessary expense; considerable money, but none for tribute. I could not say that that came from the head of the Mexican Government. Matters of that kind are handled in such fashion in Mexico that you never can get to the real source. But that was the suggestion that was made to us.

Mr. KEARFUL. Did you ever encounter Luis Cabrera in connection with any proposition to extort money from your company?

Mr. LOUCKS. Yes, sir.

Mr. KEARFUL. When was that?

Mr. LOUCKS. That was the first extorting.

Mr. KEARFUL. Who is Luis Cabrera?

Mr. LOUCKS. At the present time I think he is minister Fomento. He was at that time, I believe, minister or acting minister of finance, or the treasury, of the Mexican Government when they were stationed at Vera Cruz. It happened in the latter part of the year 1914 we had

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shipped a small consignment of raw sugar to New York, there being no export duty at that time. A few days or weeks after the shipment was made the Carranza organization imposed an export duty on raw sugar. Mr. Cabrera as acting minister, wrote us that we would have to send at once the sum of $2,500 in United States gold as duty on the last consignment which we had sent. This led to much controversy and corresponding, and he finally wrote us in January following that in view of the fact there seemed to be misunderstanding he would modify that to the extent of making it $1,800 United States gold and demanded that the money be sent at once under the pain of having the law applied in case we refused.

Mr. KEARFUL. What did you understand him to mean by that?

Mr. LOUCKS. I turned to our assistant manager, happening to be at the plantation, and I asked him what that meant. He said he assumed it meant the gun.

Mr. KEARFUL. Did you comply with that demand?

Mr. LOUCKS. No, sir.

Mr. KEARFUL. And what resulted?

Mr. LOUCKS. I think in about 30 days we were advised the debt had been pardoned. Hardly was that out of the way when we were approached from another angle by another set of officials who demanded we pay the Mexican Government a very large sum for a transaction that grew out of a government decree of 1906 by the terms of which Porfirio Diaz's government sent quite a number of Yaqui Indians from the State of Sonora to the Isthmus. Among our employees we finally made arrangements to have about, I think there were 260 all told, including men, women, and children of this group sent to our plantation. This was all handled through the office of Casasus, who was our legal adviser at that time and handled in a perfectly legitimate way directly with the Mexican Government. That demand grew until it finally assumed a proportion of between 200,000 and 300,000 pesos.

Mr. KEARFUL. What was the nature of the demand?

Mr. LOUCKS. It seems at the time those Yaquis were sent to us they were prisoners of war and the arrangement was that we should take them, and correspondence shows that the first thing we should do was to doctor them, get them back into shape where they were able to work. They were mostly diseased. And then they should work for us for a small consideration as wards of the Government. It cost us about 15,000 pesos transportation and for payment of the heads of the families to get them to the place. Many of them died, most of them ran away, and but few of them remained to do much active service. The officials representing the Carranza government discovered that some of those Yaquis were still at our plantation, the very young, I think about seven of the next generation or some of the younger fellows; they finally made their demand in the form of one peso a day for every man, woman, and child for the entire 365 days of the year plus 6 per cent interest from the time they had arrived at the plantation until the Madero government came into being. The sum total was between 200,000 and 300,000 pesos and this demand was made on us, that we pay at once to avoid serious consequences. We had and we have yet no way of knowing whether the Carranza government was responsible for this demand, but the demand was made just the same.

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Mr. KEARFUL. By Carranza officials?

Mr. LOUCKS. By Carranza officials.

Mr. KEARFUL. Was that demand scaled down when they found they could not collect the full amount?

Mr. LOUCKS. That was reduced until we were finally presented with the suggestion that 37,000 pesos would settle the entire deal.

Mr. KEARFUL. Did you pay it?

Mr. LOUCKS. No portion of it. We got the information in the hands of the State Department at Washington and a copy of it in the hands of the Carranza government as soon as possible, and from the correspondence I have it would seem the State Department inquired of the Mexican Government what law they were applying in our case, and there the matter dropped.

I cite this to show you the antagonism that seemed to be from the very beginning. As a matter of fact, we were told by one of the minor officials who visited the place in 1916 that if it were not for the fact that we were working under concessions of the Porfirio Diaz government they would feel more like giving us protection.

Mr. KEARFUL. What concessions did you have from the Porfirio Diaz government?

Mr. LOUCHS. I never knew to this day. The only thing that I can discover that was in the nature of a concession was the fact that by stipulation of law we were not required to pay any tax on the machinery we used in the buildings. That was exempt by law from tax.

When the Carranza government came into power they taxed our buildings, the machinery, and everything that went with it, and added 1,000,000 to the tax list.

Mr. KEARFUL. That exemption from taxation, as I understand it, was extended as an inducement to start the enterprise and build it up?

Mr. LOUCKS. That was it exactly, and it is now admitted by the present officials, because we are still in controversy over our tax and a few days ago we had a letter from one of the minor officials calling the attention of the others to the fact that the discrepancy was that we had apparently been overtaxed; that according to the law of eighteen hundred and eighty-something, I believe it was, the machinery should not have been taxed for the reasons which you have just stated; neither were the buildings to be taxed, because they were given to the employees at no cost to them—the buildings on the plantation. That is the only concession I have in mind or could ever think of that they referred to, but they seemed to be under the impression that we were favorites in some way of the Porfirio Diaz government.

Mr. KEARFUL. Have any of the buildings on your plantation been destroyed?

Mr. LOUCKS. Many of them have been.

Mr. KEARFUL. Are you able to conduct any operations there now?

Mr. LOUCKS. No, sir; we have a caretaker, a few employees and watchmen to look after the buildings; that is all.

Mr. KEARFUL. What do you know about instances of graft on the part of Carranza generals in reference to shipments of cattle and other commodities out of Mexico?

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Mr. LOUCKS. Our attention was called to matters of that kind in various ways. In the year 1915 there was an officer appeared at the plantation with a few soldiers and stated that it was his purpose to remain at the plantation and recruit men for the service. We tried to explain to him that it was the only time we had for harvesting the crop, and as we only had about one-third of a crew it would be very serious not only to us but the men. He relieved himself by saying "To hell with your plantation. I am here for myself." That was about the beginning of our knowledge of what was going on inside of the Carranza organization. He then perfectly frankly stated to us that he was there for the purpose of getting our men, and he further stated that for every man he got to enlist he would get so many pesos and for every certain number of men he got he was to get an addition to his shoulder straps.

Now, he was willing to take his pay in Carranza money. He recruited about 100 men. He further stated to us, and that might be of interest to note right here, because it will give the scheme of the Carranza organization at that time. He said, "The purpose of my government is to get 100,000 people assembled and we are then going to demand recognition by the United States Government, and my part of it is to get as much out of it as I can." He told the young men that he induced to go—he said, "There will be no fighting; that is not the intention. You can ride up and down the trains; you will have your wife with you, you will have occasion to take part in what is going on if there is any looting going on, and you will generally have a good time."

I saw boys that had been with us from almost their childhood leave with their wives and babies to join the Carranza army. A few days after they were back at the place.

A short time after that we were notified by an official that no native foodstuffs, such as rice, corn, and beans, could be shipped from one canton to another without permission from the officials. We then discovered that it was for the purpose of the military organization having control of the State of Vera Cruz to assemble those foodstuffs for themselves, which they did in large quantities, both at Puerto Mexico and Vera Cruz. At that time the country as a whole was at the point of starvation and there was an embargo by the Carranza organization that no foodstuffs should be shipped out of the country. Notwithstanding that fact, I personally saw large consignments of beans and corn, rice, and hides sent to the city of Vera Cruz and landed at Habana by permission of the Carranza officials. The cattle were gathered together in large groups at Vera Cruz and were taken by the shipload to Habana, Galveston, Texas City, and New Orleans. Now, they were not stolen by the Carrancista officials; they were paid for according to the amounts which the parties at Vera Cruz that had concessions for doing this were willing to give.

I recall at that time they were paying about 40 pesos for Carrancista money, which had small value, if any, for the cattle. I do not know what they paid for the beans, but I know they gathered them up in large quantities under the pretext that the Carrancista Government was in need of them for the soldiers. Carranza's son-in-law was the military governor of Vera Cruz at that time.

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Mr. KEARFUL. Candido Aguilar?

Mr. LOUCKS. Aguilar, and had full charge of the operations.

Mr. KEARFUL. What sort of money was paid for the food products?

Mr. LOUCKS. The paper money issued by Carranza. I was in Mexico just a short time after that and talked with an American, a planter, whose name I do not care to disclose, who happened to have charge of the relief work for the City of Mexico. He told me that the American colony raised a fund of several thousand dollars, hired a man to go to one of the adjoining States to gather up several carloads of corn and bring it to Mexico to relieve the destitute there. After assembling the corn every bit of it was taken by Obregon, who was Carranza's chief general.

Mr. KEARFUL. What sort of money was received for those products by the authorities who shipped them?

Mr. LOUCKS. I presume they received good money; they were sold in Habana and in the United States of America. There were tens of thousands of heads of cattle sent out of the city of Vera Cruz by the same officials and sold for American gold at the very time when the people in Mexico were starving for the want of meat and at the very time when our own Government was asking the people of the United States to send food to the starving in Mexico.

Mr. KEARFUL. What particular thing was resorted to in reference to the gathering up and shipment of hides?

Mr. LOUCKS. The first step taken by the company in Vera Cruz which had the concessions for the State of Vera Cruz—and, by the way, they were relatives of the Carranza government—was to get control of all the salt. It being very warm in that country, it is impossible to keep a hide for but a few days without salt immediately. There was an embargo placed upon the exportation of hides. The agent of this Reguladora was then sent out to gather up all the hides of the natives, who were obliged to sell at anything they were willing to offer for them rather than to have them spoil on their hands. As soon as a cargo of hides was gathered at the port of Mexico or Vera Cruz the embargo was lifted for a period of 10 to 15 days until the hides were shipped out, and the embargo was on again. By this process the people were robbed of their hides as well as they had been robbed of their corn and their beans, and their good money had been taken by practically the same process. It was a crime punishable by death to have real good money in our possession at the plantation.

Mr. KEARFUL. What do you mean by real good money?

Mr. LOUCKS. I mean silver or hildalgos, or gold that had formerly been in circulation in Mexico during the time the paper money was in vogue.

Mr. KEARFUL. You say it was a crime punishable by death to have it in your possession?

Mr. LOUCKS. To hoard real money.

Mr. KEARFUL. What were you supposed to do with it if you had it?

Mr. LOUCKS. Turn it over to the Government in exchange for money in circulation then.

Mr. KEARFUL. Well, that money in circulation, while it passed current at some value for a time, finally became absolutely worthless?

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Mr. LOUCKS. It became absolutely worthless. We were left with 172,000 pesos on our hands.

Mr. KEARFUL. Which you had been forced to take?

Mr. LOUCKS. Which we had been forced to take in payment for our products.

Mr. KEARFUL. What was the penalty for refusing to take that sort of money?

Mr. LOUCKS. The same penalty. Imagine, if you can, people in the City of Mexico hiding in cellars and wells to keep from accepting paper money in payment of legitimate obligations. I personally was told by a foreigner in the City of Mexico that he had retired an obligation on his plant of 25,000 pesos for about $1,700. He further told me that he had purchased a home that belonged to Mexicans and originally cost 45,000 pesos for 3,700 by the process of turning over Carranza money, which was later declared of no value whatever.

Mr. KEARFUL. Upon what class of the people in Mexico did the burden of this fiat money mostly fall?

Mr. LOUCKS. Upon the working people and the small merchants and the small farmers who owned a little farm and had anywhere from 500 to 10,000 pesos in property. They were literally cleaned out.

Mr. KEARFUL. Do you perceive any distinction between taking a man's labor for nothing or stealing his merchandise or property and the exacting of such labor, merchandise or property in exchange for money that subsequently becomes worthless?

Mr. LOUCKS. I see no difference whatever. I can see no difference whatever. We had so many different kinds of money that it took an expert, and we had a man in the office who was practically reading the money continually to know what to accept and at what price. With an organization such as we had there, being obliged by the requirements of the labor law to pay the men individually and every Saturday night, you can readily appreciate what it meant to us trying to find actual money to pay the men. It was a simple matter to get a $1,000 bill, and it was just as easy to make a $1,000 bill as a $1 bill, because it did not cost any more for the paper or to print it, but we were bound to split those up and compelled to pay a bonus in order to get the small bills. Mr. Wells before he was murdered put in practically all his time scurrying around the country trying to gather up small bills in one, two, and five peso denomination, and in all the time we had absolutely no assistance from the Mexican Government. They would not let us pay the men out of the store and keep them that way, but compelled us to pay them every Saturday night, and for violation fined us, as I just reported to you.

Mr. KEARFUL. Were all your trials and tribulations reported to the State Department?

Mr. LOUCKS. They were not categorically, but most of them were. We kept the State Department in touch at all times with our situation and reported exactly what was going on.

Mr. KEARFUL. What advice did you receive as to how to proceed?

Mr. LOUCKS. We did not receive any advice. The only advice we received was that the letter had been received and would be passed on.

Mr. KEARFUL. Did you receive advice more than once to get out of the country?

Mr. LOUCKS. Oh, yes; and up to this day we have never had that rescinded, although I have asked the State Department if they were

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prepared to rescind that order. And I might add here that the last time our manager left the country he was obliged to sign a waiver that if he returned to Mexico the Government of the United States would not protect him any further.

Mr. KEARFUL. He was obliged to sign that waiver in order to get a passport from this country as an American citizen?

Mr. LOUCKS. No; he wanted to return to Mexico and in order to return he was obliged to sign that waiver.

Mr. KEARFUL. He was an American citizen?

Mr. LOUCKS. He was an American citizen.

Mr. KEARFUL. Advised by the State Department to sign that waiver?

Mr. LOUCKS. I do not know whether it was the State Department; it was through the consul.

Mr. KEARFUL. Did the State Department make any representations upon the rights of Americans to go back to Mexico to attend to their business without signing such a waiver?

Mr. LOUCKS. That I do not know. The only relations I have personally had with the Government was to get a passport on the occasion of my last visit to Mexico. I received a passport after going through the usual process. I went to Mexico and returned to Minneapolis, and since then I have not asked the State Department for any suggestions.

Mr. KEARFUL. What sort of a waiver did you have to make in order to get that?

Mr. LOUCKS. I made none, except to state what my business was and how long I intended to be there and when I would return.

Mr. KEARFUL. Did the Mexican consul require you to sign a waiver?

Mr. LOUCKS. No, sir.

Mr. KEARFUL. From your experience in Mexico, what do you consider to be the basis of the present Mexican Government—what is it founded on?

Mr. LOUCKS. Personally, I believe it goes back to the remark made by Secretary Bryan when he was Secretary of State shortly after the inauguration of the present administration. He made this statement: "The Government of the United States will not lift its finger on behalf of Americans or their money invested in Mexico."

That was known in Mexico inside of 24 hours. The next step was when the President of the United States in one of his noble speeches referred to the Americans in Mexico as a mere handful of promoters who had gone to Mexico for the purpose of exploiting the people and the resources of the country.

Those two things in themselves were quite enough to bring about the present situation so far as the Americans are concerned.

Mr. KEARFUL. So far as the Mexican people are concerned, what is the basis of the Mexican Government?

Mr. LOUCKS. The basis?

Mr. KEARFUL. Yes.

Mr. LOUCKS. What it is founded on, do you mean?

Mr. KEARFUL. Yes; what enables the ruling body to remain in power aside from the operations of this Government?

Mr. LOUCKS. It was brought together by promise of loot; it is held together by graft. It has as it fundamental principle the pun-

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ishment of any and everybody that ever had anything to do with the Porfirio Diaz government or is opposed to the present administration.

Mr. KEARFUL. Do you know of other sugar plantations in Mexico besides your own that are in similar condition?

Mr. LOUCKS. I know of others that have been put out of business completely.

Mr. KEARFUL. Some worse off than yourself?

Mr. LOUCKS. Well, it would be difficult to be much worse off than we; but some who have not attempted to operate for several years; some who had abandoned them entirely.

Mr. KEARFUL. During the time that these plantations have not operated what has been the necessity for sugar in Mexico?

Mr. LOUCKS. Mexico has for the past four years been pleading for sugar. For the past three years they have almost been on their knees begging for sugar. Two years ago, while we were being put out of business, the Government of the United States exported to Mexico a little more than 13,000 tons of sugar; Cuba at the same time exported to Mexico between 6,000 and 7,000 tons, or a total of 20,000 tons.

Mr. KEARFUL. Normally——

Mr. LOUCKS. Normally, Mexico was exporting thousands of tons of sugar. The State of Vera Cruz alone produced a maximum of 52,000 tons in normal days, and the State of Morelos 48,000.

Mr. KEARFUL. You have been aware of very stringent shortages of sugar in this country recently?

Mr. LOUCKS. Yes, sir.

Mr. KEARFUL. Do you think that would be affected if the sugar was allowed to be produced in Mexico as it was under Porfirio Diaz?

Mr. LOUCKS. Quite naturally; quite naturally. I want to add right now that the sugar that was purchased by the Mexicans and sent from the United States was paid for very largely by money extorted or robbed from the Americans in Mexico, for the Government has been very, very close to all of these transactions.

Mr. KEARFUL. You knew John Lind, did you not?

Mr. LOUCKS. Yes, sir.

Mr. KEARFUL. He was a representative sent to Mexico by President Wilson to eliminate Huerta?

Mr. LOUCKS. Yes, sir.

Mr. KEARFUL. Where did you know him?

Mr. LOUCKS. I knew him first as the governor of the State of Minnesota; later as a fellow townsman of the city of Minneapolis.

Mr. KEARFUL. Did you meet him in Vera Cruz?

Mr. LOUCKS. I never met him in Vera Cruz; some of our people have, but personally I never took the pains to call on him.

Mr. KEARFUL. You did not advise with him about your troubles while you were at Vera Cruz?

Mr. LOUCKS. Others of our company did.

Mr. KEARFUL. Your company did?

Mr. LOUCKS. Yes, sir.

Mr. KEARFUL. Do you know what advice he gave your company in regard to what you should do?

Mr. LOUCKS. His advice was that we support Carranza.

Mr. KEARFUL. At all events?

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Mr. LOUCKS. Yes.

Mr. KEARFUL. Do you know when the great sisal monopoly of Yucatan was formed?

Mr. LOUCKS. Yes, sir.

Mr. KEARFUL. When was that?

Mr. LOUCKS. I believe it was in the year 1915. I am not certain whether it was in 1915 or 1916. I believe it was in the month of September. I recall distinctly when it was, but I would not say as to those two years. It is a matter of record, anyway. It was while Mr. Lind was in Mexico, whenever that period was. That would be 1915.

Mr. KEARFUL. 1914.

Mr. LOUCKS. 1914. Well, it was whenever he was in Mexico, you can fix it from that.

Mr. KEARFUL. What connection, if any, did Lind have with that transaction?

Mr. LOUCKS. Personally, I could not say.

Mr. KEARFUL. You do know that his son was given an important position at the time of their organization, do you not?

Mr. LOUCKS. It has been so stated and published in our local papers on several occasions since then.

Mr. KEARFUL. He has not denied it, has he?

Mr. LOUCKS. No, sir.

Mr. KEARFUL. You know something about the operations of that monopoly, do you not?

Mr. LOUCKS. Yes, sir.

Mr. KEARFUL. Will you describe them as far as you know? They have been given here in evidence to some extent before.

Mr. LOUCKS. So far as the American end of the proposition was concerned, I have been advised that the first step was the creation of a fund of $10,000,000 which was to be for the purpose of protecting shipments and bills of ladings, etc., a guaranty, as it were. The money, I believe, was furnished by bankers of New Orleans. I was further advised that the first $5,000,000 of this money was paid to Mr. Carranza personally for the privilege of pulling off the deal.

Mr. KEARFUL. Do you know the name of the general who was operating in Yucatan then under Carranza—Salvador Alvarado?

Mr. LOUCKS. I do not know the man personally; I know he was the man in charge, and I have talked at various times with people who were there, but personally I was never in Merida. I do know that was the beginning of the sisal trust.

Mr. KEARFUL. But the monopoly was operated under the directions and for the benefit of Salvador Alvarado?

Mr. LOUCKS. That is my understanding.

Mr. KEARFUL. A Carranza general?

Mr. LOUCKS. Yes, sir. I do not wish to cast any aspersions, but there seems to be somehow a connection between the events which have just been enumerated.

Mr. KEARFUL. Did you ever see a booklet published by John Lind entitled "The Mexican People"?

Mr. LOUCKS. I don't recall; I have seen much of his sayings, but I don't recall that particular book.

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Mr. KEARFUL. That was published in this country about December, 1914, after Mr. Lind returned from Mexico.

Mr. LOUCKS. I recall, and I remember some of our people went to call on him in the city of Minneapolis and talked with him and his opinion then was exactly the same as when he was in Mexico; there was nothing to do except to stand by Carranza. My personal conviction is that Judge Douglas and John Lind were largely responsible for the recognition of Carranza. I never thought any different.

Mr. KEARFUL. By Judge Douglas you mean Charles A. Douglas?

Mr. LOUCKS. Yes.

Mr. KEARFUL. Attorney for Carranza?

Mr. LOUCKS. Attorney for Carranza.

Mr. KEARFUL. Have you been informed that after Mr. Lind returned from Mexico and about the time of Carranza's recognition by this country Lind was on the pay roll of the Carranza government?

Mr. LOUCKS. No, sir; I know of ways of doing things in Mexico, and I can readily understand how that might have been the case.

Mr. KEARFUL. What is your view about the truth of the statement emanating from high official sources that American citizens in Mexico are not entitled to consideration because they were engaged in exploiting the Mexican people?

Mr. LOUCKS. I have pointed out as in the matter of our employment, our treatment of the labor, the amount that we were paying them for their daily wage, that there is absolutely no truth in that so far as our company is concerned, and I want to answer that I know of no Americans in Mexico that have treated their Mexican employees badly. I know of many cases where stockholders have been defrauded, but they were stockholders in the United States. In the olden days when I first began going to Mexico Americans I believe were respected above all other foreign nationalities. I know that from the peon to the newsboys they looked on Americans with respect for the simple reason that the Americans were not only fair, but they were just.

Mr. KEARFUL. They were generous, were they not?

Mr. LOUCKS. Yes; generous. A newsboy in the city of Vera Cruz would select an American newcomer to get his shoes shined because he knew he would get his shoes shined. I know some nationalities they refused to talk to because they knew they would not shine their shoes.

I remember the first friction was a matter you bring to my mind by the question the Americans were going down there for the reason they were paying to the natives too much, causing trouble to the old Spaniards. The old Spaniards with their enormous haciendas and innumerable employees, were paying the lowest wage the people could live on. They had a contract system which you know about, the hacienda store, and a man was in perpetual slavery. The only way a man could get relief was by stealing and getting dismissed or by having somebody come along and buy his contract, pay the amount to the owner and get relieved. The Americans did not like that way of doing business. They immediately began to advance the price of labor, with the natural consequences; it offended this old class of Spaniards who were doing business the other way. That was the first friction we discovered in connection with our business.

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Mr. KEARFUL. And did these operations of Americans enable the enslaved classes to escape from that condition?

Mr. LOUCKS. It did to the extent that slavery was abolished from the State of Vera Cruz before the revolution came into being by a process of evolution, which shows there was no need for revolution.

I have seen young men growing up from boyhood to young manhood occupying positions of importance and trust. I have in mind to-day a family of five boys. Four of them turned out well and the other turned out bandit. Two of those boys are in Cuba occupying very responsible positions, lifted up by the Americans and the opportunity for work. I remember a little peon boy that the manager and I brought to the States one time and for the first time in his life he saw the city of New York. He was nothing but a poor barefoot boy. The last time I visited our plantation when it was in operation I noticed one of the engines going by and the man at the throttle was this same little barefoot boy and he was pleased to tip his hat to the presidente. That is what we did for them. If that is exploiting I will answer your question that way.

Mr. KEARFUL. I think that the committee would be very much interested in having your opinion as to what ought to be done to put Mexico on its feet?

Mr. LOUCKS. A candid answer to that question might not work to the advantage of anybody with present holdings in Mexico, because naturally it is going to run counter to the present administration. I realize that the committee appointed by the Senate is for two purposes; one is to make an investigation, which is a very simple matter, but the other is to make recommendations of what to do for Mexico. I have my own opinions based upon due deliberation and my experience in the past in Mexico.

I do not believe that the Mexican people can give themselves a stable government. I have thought so for a long, long time. When the Carranza government came into power nobody hoped for his success more than we did. We had no choice. We never played favorites. All we wanted was the opportunity, as I have stated, not only to their officials but to our officials in Washington—was the opportunity of carrying on operations in conformity to the laws governing the country, but with the understanding that we should be protected. That is all we ever asked. That is all we ask at the present time.

I do not believe the present government in Mexico can ever succeed for several reasons: First, I do not believe it came into being honestly. I never thought so. Next, it has no due regard for the rights of others. If there was ever anything that made the Porfirio Diaz government strong was that he used that as a guiding thought always, that they must always recognize the rights of others.

I can not find in the new constitution of Mexico or the treatment that we have received that they have ever thought of adopting that principle. If that be true, I do not believe that any Government could ever succeed for any length of time in this new and enlightened day.

Mr. KEARFUL. Do you think that it is necessary for Mexico to have assistance from the outside?

Mr. LOUCKS. Yes; and of more than one kind. I stated to a friend of mine the other day that the Mexican vocabulary had narrowed

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itself down to two words—hate and revenge. Those two words mean more than anything in Mexico at the present time, and for that reason alone it is impossible to hope for a stable government, for most of the people that are opposed to Carranza have a deep-seated dislike for him for the reasons I have just enumerated. They have a real grievance. I am not thinking just now of the investments of foreigners in Mexico. I would go so far as to say that I would be willing to see our entire property sacrificed if the Mexican people—I mean the good people who wanted to work—could be given the right and opportunity to work under peace as they have a right to expect.

Mr. KEARFUL. Right there, what proportion of the population of Mexico do you consider good people, that is, potentially worthy citizens if they were given a chance?

Mr. LOUCKS. Until they were taught by their superiors other and worse things I would have said from 80 to 90 per cent were actually honest people—from 80 to 90 per cent. We had men there by the hundreds that we would trust not only to work but with any possession you might place with them. And I will go so far as to say they would defend that to the point of giving their lives, just so you gave them your confidence. That was the condition of affairs before the present revolution got to the point that they were taught, as I say, by their superiors that there were other and easier ways of getting a living than by work.

We always impressed upon our manager this: You can not expect the morals and morale at the plantation to be higher than those of our manager and we always sought to have men who were honest and clean, and we were successful.

If the present administration is honeycombed with fraud it is natural to believe many people would follow that way of getting a living. It is going to take some time to put them back, but I believe to-day there is more than 50 per cent of the people of Mexico who are absolutely honest—yes; more than 50 per cent who would be glad to work for an honest living. They do not want us to send down food. They want us to come down and establish a stable Government that will permit them to get a living wage.

Mr. KEARFUL. Do you think the good people of Mexico would be favorable to the United States going down to Mexico and putting the country in order?

Mr. LOUCKS. I said yes, but I would qualify it by saying not with the present administration in Washington.

Mr. KEARFUL. Do they distrust the present administration in Washington?

Mr. LOUCKS. There are two classes in Mexico having to do with that thought—one is a class that hates Washington and the other is a class that fears Washington—and there are very few who are to be found not in one or the other of those classes.

Mr. KEARFUL. What is the particular fear that they have?

Mr. LOUCKS. Two kinds of fear: First, we have had two or three punitive expeditions in Mexico. The average Mexican who could not see through the workings—and they were like many of us in this country—were suspicious as to what were the aims and objects of the American Government, whether they were really there to help them or whether they were really there to hurt them. After some

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little time they discovered that they were not going to be harmed; they immediately turned in to assist both the American soldiers and the American administration, hoping that they were there for keeps. I know this because I have been told.

Mr. KEARFUL. By the Mexicans themselves?

Mr. LOUCKS. Yes; only to find that after they had placed their confidence in the Americans coming there and establishing a government for them they pulled out and left them to the wrath and hate of the Carranza administration. That class of people have been burned twice, and they fear anything that may happen from this time on.

The next is a little better educated class, which fear after all that what the Germans have told them down there may be true, that the Government of the United States by assisting first one faction and then another and getting them to fight among themselves until they are exhausted will go down and take the country by force and keep it. Those are the two kinds of fear there are in Mexico. That is why I say the present administration in Washington can do nothing in Mexico, according to my views.

Mr. KEARFUL. If the present administration should honestly and firmly in good faith desire to help the Mexican people it would be met by those conditions?

Mr. LOUCKS. If you could convince the Mexican people that you were there for honest purposes I believe 90 per cent would welcome you to-day. When I say 90 per cent, I mean the laboring people, I mean the merchants, I mean the farmers, I mean everybody but the politicians.

Mr. KEARFUL. What form do you think such assistance should take when it does come?

Mr. LOUCKS. I think it means the establishment of a government in Mexico City. I believe it means a sufficient force to give their people a chance to get back on their feet without fear of persecutions; I believe it means financial assistance to put their industries back into operation; I believe it means the return peaceably of the good people who were forced out of Mexico by the present administration.

Mr. KEARFUL. You mean mostly Mexicans?

Mr. LOUCKS. Mexicans. When those things are brought to pass it will take but a very short time until you have got an entirely new order of things. There is no confidence in Mexico at the present time; they have no confidence in anything; they have no confidence in their own Government; they have no confidence in this Government; they are just waiting and hoping and, I might say, praying that something might happen. Now, in saying this, I am not thinking of myself, I am not thinking of our investment; I am thinking of Mexico.

Mr. KEARFUL. What do you think about the statement that has been made, also emanating from high official sources, that there is a conspiracy among capitalists operating in Mexico to force intervention on that country for the purpose of taking it over?

Mr. LOUCKS. It is childish; it is simply childish. I have never heard a Mexican with large interests in Mexico express an opinion very much different from what I have just expressed.

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Mr. KEARFUL. You say Mexican—you mean American?

Mr. LOUCKS. I mean American. I have never heard an American with large interests in Mexico but has the kindliest feeling for Mexico.

I want to say, further, there is absolutely no reason in this day, 1920, that there should be friction between these two countries—absolutely no reason. We are neighbors; we have got to be so whether we want to be or not. Now, in saying that the officials of Mexico hate us, I am not using my expression; I am taking it from the lips of one who was very, very close to the present administration in Washington, and I asked the question for the simple reason that I wanted to know.

Mr. KEARFUL. What effect has the policy pursued by this administration had upon the feeling of friendship of Mexicans toward Americans?

Mr. LOUCKS. Some wonder, some distrust, and, as I said, some hate. That is what it resolves itself into. They simply wonder. I think it was in 1915—I don't know what Government was in power at that time—but a very intelligent man was down at our plantation and I talked with him, and this is what he said, "If only your Government would select somebody—I don't care whether it is Villa, Carranza, or Huerta, or whoever it might be—but if it selects somebody and gives him its whole-hearted support, that is all there is to it; the others will submit." We didn't get that support, and there was evidently a conflict in Washington as to whom to support.

Now, you may wonder why the present administration in Mexico City dislikes Washington. You should not forget that at the time of the split with Villa, Carranza lay flat on his back; he could not get out, the American forces at Vera Cruz, Villa in the North, and I am told that very material assistance went from this country to Villa. You can easily wonder where Carranza got his antipathy if he did not have it before.

Mr. KEARFUL. Do you believe that the Carranza Government would have been a success if this Government had supported him whole-heartedly in every way that you think that a good Mexican should now be supported?

Mr. LOUCKS. No, sir; I think he would temporarily; I think he would for a time. If it could have succeeded under the way in which it came into being it would give the lie to modern civilization, according to my way of thinking, because it was founded on fraud. It could not succeed.

Mr. KEARFUL. Is there anything further you think of?

Mr. LOUCKS. No, sir; I do not think of anything for the moment unless you want to go into the matter of some things I have here on various subjects. I think of nothing that would add to what has been said.

Mr. KEARFUL. Very well, then, you may be excused.

(Whereupon, at 3.50 o'clock, p. m., the committee adjourned.)

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INVESTIGATION OF MEXICAN AFFAIRS.

FRIDAY, JANUARY 30, 1920.

UNITED STATES SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON FOREIGN RELATIONS,
Washington, D. C.

Testimony taken at Washington, D. C., January 30, 1920, by Francis J. Kearful, Esq., in pursuance of an order of the subcommittee of the Committee on Foreign Relations of the Senate.

TESTIMONY OF FRANCIS W. BLACKFORD.

Mr. KEARFUL. State your full name, please.
Mr. BLACKFORD. Francis W. Blackford.
Mr. KEARFUL. What is your business?
Mr. BLACKFORD. I am a civil and mining engineer.
Mr. KEARFUL. What is your present place of residence?
Mr. BLACKFORD. Columbus, Ohio. Do you want the address?
Mr. KEARFUL. Yes.
Mr. BLACKFORD. 86 East Eighth Avenue.
Mr. KEARFUL. Were you in Mexico during the time of Porfirio Diaz?
Mr. BLACKFORD. Yes, sir; I was.
Mr. KEARFUL. In what business were you engaged there?
Mr. BLACKFORD. I was part of the time the engineer and manager of the Railway Constructing Co., and later on I was a member of the contracting firm of Ball, Sims & Blackford, and I also did consulting civil and mechanical engineering work; made reports upon projects, etc.
Mr. KEARFUL. What sort of construction work were you engaged in?
Mr. BLACKFORD. Actually engaged in building railroads, and I also made engineering reports on projections of different railway lines and upon harbor work.
Mr. KEARFUL. What was the condition in the time of Porfirio Diaz before the Madero revolution as to order and safety in Mexico?
Mr. BLACKFORD. The conditions were very good, indeed. Everybody was protected in the conduct of their business.
Mr. KEARFUL. Was it safe to travel about through the country?
Mr. BLACKFORD. Yes, sir.
Mr. KEARFUL. Without guards?
Mr. BLACKFORD. Yes, sir; I traveled a great deal myself in all sorts of ways.
Mr. KEARFUL. What was the effect upon the laboring classes of the construction work in which you were engaged?

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Mr. BLACKFORD. I think the effect was beneficial to the Mexican people of all classes, and especially to the laboring class, because we paid from two to three times as much wages as was prevalent in the country for agricultural work and all sorts of laboring work.

Mr. KEARFUL. In what physical condition did you find the Mexicans when you employed them?

Mr. BLACKFORD. Well, that differed somewhat in different sections and at different times. Sometimes we found them in normal condition, strong and healthy; other times we found them very poor. One time in particular we found the laboring people in the district where we were very much emaciated from lack of sufficient sustenance due in part to a failure of the corn crop and the scarcity of corn locally.

Mr. KEARFUL. And you had to advance them food in order to get them in condition to work?

Mr. BLACKFORD. Yes, sir; we bought corn and brought it in, corn and beans, and issued them to them on their prospective labor in order to get them in proper physical condition to do our work.

Mr. KEARFUL. When did you leave Mexico?

Mr. BLACKFORD. I left there in June, 1911, at that time with my family and my personal effects. I returned again in September and remained until about the 1st of November, as near as I remember.

Mr. KEARFUL. Did you quit Mexico on account of the revolutionary disorders?

Mr. BLACKFORD. Yes, sir; entirely so, because I loved that country and should have liked to remain there.

Mr. KEARFUL. Have you or your associates been able to do any construction work since that time or do you know of any construction work having been done since that time in Mexico?

Mr. BLACKFORD. One of my associates died soon after I left. I do not think the other one has done anything of any consequence since. I have not really heard very much from him except that when I was in the country of San Salvador in Central America in 1912, 1913, and 1914, I had some correspondence with him and he was exceedingly anxious to come to Salvador to engage in the construction of some railroads which I was at that time surveying.

Mr. KEARFUL. Do you know of any construction work having been done in Mexico since the outbreak of the Madero revolution—railroad construction work?

Mr. BLACKFORD. I do not think any railroad construction has been done since that time. I have not heard of it.

Mr. KEARFUL. Was any of the work upon which you were engaged left uncompleted?

Mr. BLACKFORD. One contract which we had in the State of Chihuahua never was even started. It was unsafe for life and property and we never succeeded in getting onto the work in order to do it. In fact, we never tried to get onto it. Conditions were such that we were afraid to venture.

Mr. KEARFUL. Did you have some mining properties in Mexico?

Mr. BLACKFORD. Yes, sir; I had mining properties in Mexico.

Mr. KEARFUL. And what became of them?

Mr. BLACKFORD. I allowed the titles to lapse; that is, I ceased to pay taxes upon this property because my agent there informed me that the government had recently passed an act requiring owners of

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mines to work them. It was impossible for me to work the mines because it was not safe to travel in the country. I would not have attempted to reach them for four times their value.

Mr. KEARFUL. Was the law that you were required to work the properties under penalty of forfeiture?

Mr. BLACKFORD. Yes, sir.

Mr. KEARFUL. In what year was it that you quit paying taxes?

Mr. BLACKFORD. I think it was the year 1916. I paid taxes until that time.

Mr. KEARFUL. Previous to this law you speak of it was sufficient that certain amounts be paid in order to hold the title without working the mine?

Mr. BLACKFORD. Yes, sir.

Mr. KEARFUL. This requirement was made that the mining properties should be worked at a time when it was impossible to get to them to work them?

Mr. BLACKFORD. It was practically impossible; yes; it was dangerous.

Mr. KEARFUL. I think that is all, unless you have some further statement to make, Mr. Blackford.

Mr. BLACKFORD. Well, I might state further that it is very difficult, indeed, for me to get information about my property in Mexico, even my mining property or my bank stocks. The mail is censored, and I have not written to my acquaintances and my friends there, as I would write to them if that were not the case; and I think that they have failed to give me information such as I should like to have because of the censorship which exists.

Mr. KEARFUL. You have not any proposition to offer, have you, as a remedy for the conditions down there?

Mr. BLACKFORD. Well, a more vigorous protection of the lives of Americans—their lives and their property—by our Nation.

That the State Department demand of Mexico that she pay interest on her bonds and the bonds of the railways which she controls and all other just obligations, and that she protect the lives and property of all American citizens within her boundaries.

Furthermore, so long as our Government interprets the Monroe Doctrine as at present and says "hands off" to all European countries, it is incumbent upon her to demand in behalf of them the same that she demands for herself.

Should Mexico fail within a reasonable time to accede to these demands, I should suggest the seizure of her ports of entry and an nvasion of the country and the collection of all export and import duties and internal revenues. Same to be applied to the discharge of her obligations as above stated.

Mexico is one of our best, if not our best markets. Her railroads have American equipment and their employees know no other and will naturally continue to use it. The same may be said of mining and largely electric machinery and supplies and many other classes of American manufactured products.

It is a market which our commercial interests can not well afford to neglect and in its development they should be amply protected by our Government.

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If Mexico desires to stay in the family of civilized nations and to be benefited by such privileges, she should be just and decent, and if she fails in these things as she has for the past 10 years she injures herself as well as others and should be held strictly to account by force of arms if necessary.

Mr. KEARFUL. You have read about some of the notes that have been sent and, of course, you know that they were very vigorous.

Mr. BLACKFORD. I know of the notes; yes; I know that they have been ineffective altogether.

Mr. KEARFUL. What more vigorous policy could be adopted than sending a vigorous note?

Mr. BLACKFORD. Well, I think that that would be going into matters that I would not like offhand to say anything about.

Mr. KEARFUL. Do you not think that a vigorous note should not be sent except with the intention of backing it up in case it is rejected?

Mr. BLACKFORD. I certainly do; yes. I think we are the laughingstock of the diplomats of the world. People of Latin America think that we are afraid of Mexico. I was in Salvador, in Central America, when negotiations were going on between Huerta and our administration, and I think it was the prevailing opinion among, you might say the middle class of people in Salvador, that we were afraid of Mexico—the United States was afraid of Mexico. We backed down always whenever an international question came up.

Mr. KEARFUL. Is that all, Mr. Blackford?

Mr. BLACKFORD. I do not think of anything. Do you care to have me mention about these railway projects and the money that was paid for concessions and never has been realized upon at all?

Mr. KEARFUL. You may proceed to state that.

Mr. BLACKFORD. I might say that I was the chief engineer of a project called the Puebla & Pacific Railway in the years 1910 and 1911. This railroad was projected from Puebla southward to the Pacific Ocean, with branches north and south from there, a distance more or less of 600 kilometers. The projectors of this enterprise paid 60,000 pesos into the Mexican treasury for this concession, of which practically nothing has resulted because of the disturbed condition of the country. I do not know of anything more.

Mr. KEARFUL. Very well, you will be excused. Thank you, sir.

(Witness excused.)

TESTIMONY OF DR. JAMES M. TAYLOR.

Mr. KEARFUL. Doctor, please state your full name.

Dr. TAYLOR. James M. Taylor.

Mr. KEARFUL. What is your profession?

Dr. TAYLOR. One of the secretaries of the board of foreign relations of the Methodist Episcopal Church.

Mr. KEARFUL. What is your present place of residence and address?

Dr. TAYLOR. I live on the Jersey side. Shall I give my home or office?

Mr. KEARFUL. Your office address.

Dr. TAYLOR. One hundred and fifty Fifth Avenue, New York City.

Mr. KEARFUL. Have you had occasion to visit Mexico recently?

Dr. TAYLOR. Yes, sir.

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Mr. KEARFUL. What was your object in going to Mexico?

Dr. TAYLOR. Well, to do some evangelistic work and investigate conditions regarding missionary and educational work.

Mr. KEARFUL. The prospects for continuing that sort of work in Mexico?

Dr. TAYLOR. Yes; investigating conditions regarding future work so that I might come home and give these facts to the church. I may say that I do that same work throughout the world, visit the different mission fields.

Mr. KEARFUL. What points in Mexico did you visit?

Dr. TAYLOR. The principal points were Monterrey, Tampico, San Luis Potosi, Guanajuato, Mexico City, Puebla, Pachuca, and Vera Cruz. Of course, dozens of other places, small places.

Mr. KEARFUL. Intermediate points?

Dr. TAYLOR. Yes.

Mr. KEARFUL. Did you have occasion to observe the operation of foreign enterprise?

Dr. TAYLOR. To a greater or less extent: yes.

Mr. KEARFUL. What has been the effect of the operations of the foreign capitalists in Mexico, especially Americans?

Dr. TAYLOR. My judgment is that it has been decidedly a blessing rather than otherwise.

Mr. KEARFUL. Do you agree with the statements that have been made from high official sources that Americans operating in Mexico are not entitled to consideration because they have been exploiting the Mexican people?

Dr. TAYLOR. I might say in answering that that I went down there with more or less of that feeling and came back with the belief it is absolutely untrue. I have said to people since I have been back in the States that some of the American companies operating in Mexico I consider are really doing missionary work because of the way they are teaching them sanitation and better modes of living, compelling the children to go to school, and things of that kind.

Mr. KEARFUL. Do you believe it is possible to do spiritual and educational and religious work without first giving ignorant people the material benefits?

Dr. TAYLOR. I do not know that I could answer you affirmatively just the way you put the question. I do not know that I would say it is not possible to do spiritual work without this, but it is not practical and it is not possible to render 100 per cent.

Mr. KEARFUL. Your organization does not proceed upon the lines that it is practical to do education and religious work without first advancing ignorant peoples in a material way, do you?

Dr. TAYLOR. Absolutely not. We are taking steps now along lines of industrial schools and things of that kind.

Mr. KEARFUL. What do you think would happen to the common people in Mexico if all of the foreign capital were withdrawn from the country?

Dr. TAYLOR. Judging from some facts that I know and what I observed generally and gathered from both Americans and Mexicans I should say that in 90 days or 6 months at the very furthest it would produce one of the greatest famines that was ever known in a country of 15,000,000 people.

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Mr. KEARFUL. Will you describe some of the benefits that have been derived by the employees of American capitalists in Mexico?

Dr. TAYLOR. Why, I have in mind one place across—I am mixed up on the rivers and bays there at Tampico.

Mr. KEARFUL. The Panuco River?

Dr. TAYLOR. Yes. The place I want to speak of is a place across the river. I think it is the terminal of one of the oil companies that I visited traveling throughout the little city, and I found them with sanitation officers, with closed garbage cans, the lids always having to be found on the cans, the homes inspected to see that the garbage has been put regularly in the garbage cans, and it was hauled off, my understanding was, twice a day. I found that there was a school that the company had built and furnished the four teachers for and were preparing to put in two more teachers. I found they had truant officers compeling the children to go to school. I found in the school a new piano they had just had two days. I asked the head master if they had not raised the money for it by giving entertainments. He said they did raise money for that purpose, but when he went over to Tampico the day before to get it he started to give the manager of the company the money for the piano and the manager gave back the money and gave them the piano that cost 1,200 or 1,500 pesos.

I found they had put out regular parks, were setting out palms along the streets. The best meal I had in Mexico I had in their dining room and ate with a Mexican sitting to my left and an American to my right and found that that was for the American and Mexican men who were working there at the terminal without their families.

I visited the dormitories and found they had the same room for the Mexican men that they had for the Americans. I visited and photographed the residential sections and found they had the same dwellings for Americans and Mexicans and they are living side by side.

Mr. KEARFUL. And at whose expense were the school and the sanitary equipment provided?

Dr. TAYLOR. The company that operated there. Should I give that particular company?

Mr. KEARFUL. No; it is not necessary.

Dr. TAYLOR. One of the oil companies that operate and has that as their terminal where they load their ships, and it was the manager of that oil company that gave the piano.

Mr. KEARFUL. The employees themselves are not assessed for the expenses of any of these benefits?

Dr. TAYLOR. They are not assessed for room rent or house rent and they get their meals free also, and the young man, a southern boy from Macon, Ga., who is in charge of that particular end of the work, told me that the meals cost the company—I think he said, as well as I remember, about $1.50 gold per meal; that that was what the food meant.

Mr. KEARFUL. Did you find similar conditions in any other section of Mexico?

Mr. TAYLOR. Do you mean where there is foreign capital invested?

Mr. KEARFUL. Well, under any other circumstances?

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Dr. TAYLOR. No, sir.

Mr. KEARFUL. Did you find——

Dr. TAYLOR. Now, I found conditions more or less along that line wherever good, substantial foreign or American, I think particularly American, companies were operating, like Panuco, where they have baths and everything of that kind for their men, but I did not find anything at all approaching such as that except where such work was being carried on.

Mr. KEARFUL. What did you find to be the general character of the Americans in business in Mexico?

Dr. TAYLOR. I found them on the whole to be what I would call a good crowd of Americans.

Mr. KEARFUL. How did they compare with Americans in this country in any given locality?

Dr. TAYLOR. You take the Americans in this country and remove the strictly religious element that is found here, and nothing of that kind being carried on there, I would say they compare very favorably.

Mr. KEARFUL. What class of people are they? What is their business? What is their standing as a class? What do they do?

Dr. TAYLOR. Their business, you mean?

Mr. KEARFUL. Do you think they are there because they can not live in this country?

Dr. TAYLOR. No; I found them on the whole to be what I would consider lawabiding, highminded, and to a very large extent cultured American people with a high standing in a general way regarding morals, and their actions toward other people. I do not mean by that that I found a crowd of Sunday school fellows—not in that sense at all. But, for instance, when I was out in the oil fields I was in places where they had to go to the general of the Army who had taken over certain of their properties, and they would have to go to him and ask the privilege of running an engine in order to take me to some other point or in order to move the train to some other point, and I saw properties of that kind taken over by the Government, the Army, where they were not permitted to use their warehouses or their other houses, and the sick soldiers and the women and children under the buildings, out in the yards, lying around on the platforms, some of them. I saw, for instance, a woman lying under one of the warehouses on a pile of iron pipes. I do not think from the pipes up to the floor it could have been more than 30 inches. I think there is no question but what she would be dead before the next morning. I think 90 per cent of them were diseased, dying like flies. And I found these American fellows when they did not know I was watching them at all slipping around to these sick soldiers and sick women and slip one or two dollars in American money to them. And in talking to me and in my discussion with them I found them not anti-Mexican or hating the Mexicans, but with a feeling of interest in them, wanting to do that which would help them rather than hurt them.

Mr. KEARFUL. Did you find that in general to be the treatment of Mexicans by the Americans who are operating in Mexico?

Mr. TAYLOR. I should say on the whole I did. I found, for instance, at one place way up in the interior, that is, up in the oil fields, between 30 and 40 boys—the school was out and these boys

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were out with their machetes cutting the grass around near the pump station and commissary and rooming houses, and I asked what they were paying them, and I found they were getting, if I remember correctly, 1½ pesos a day for the work, work that if I had been there myself I do not think I would have had done at all. I asked why they were having it done and they said the boys were idle, and they had to be employed and their families needed what they could earn, and they simply had them do it for that purpose.

Mr. KEARFUL. Did you have occasion to meet Consular Agent William O. Jenkins in Puebla?

Dr. TAYLOR. Yes, sir; I was with him more than once, and I was entertained in his home on the Thursday before they kidnapped him on Sunday. I met him and Mrs. Jenkins, their children, and Mrs. Jenkins's sister.

Mr. KEARFUL. Did you learn something of his business operations there?

Dr. TAYLOR. Yes; quite a little. I found that Mr. and Mrs. Jenkins are both interested in religious work to start with. I think they are both members of the church. And I found him with large holdings and haciendas, apartment houses, building new apartment houses, in addition to his work with his factory, his knitting mills. I found his work, so far as I could learn from others, to be of the very highest type and his interests in the Mexican people I found to be very great. In fact, I went through the hospital and the major part of which, I understand, he gave to Dr. Conwell, of the Baptist Church, not only giving the property, but bearing the expense of renovating it. And while I was with him I was taking up the matter of trying to get him to give one of the haciendas to the Methodist Episcopal Church for an industrial school for boys.

Mr. KEARFUL. Native boys?

Dr. TAYLOR. Native Mexican boys.

Mr. KEARFUL. And this hospital, is it used exclusively for foreigners?

Dr. TAYLOR. Foreigners, of course, patronize it. It is the only hospital in Puebla, and they patronize it; but it is in the main for the Mexican people.

Mr. KEARFUL. It is open to the Mexican public?

Dr. TAYLOR. They come to it whether they have money or not.

Mr. KEARFUL. It is a charitable institution?

Dr. TAYLOR. Yes, sir.

Mr. KEARFUL. Did you find Mr. Jenkins in his business engaged in oppressing and exploiting the Mexican peons.

Dr. TAYLOR. From what I learned of his business, I would personally consider that it was a blessing to the Mexican people.

Mr. KEARFUL. How do the Mexican people regard Mr. Jenkins?

Dr. TAYLOR. I found them regarding him very highly. I found his children in school with Mexican children, in the mission school of the Baptist Church; that is, one of them, I guess. I found one of his children in school. And the Mexican people I found regarded him very highly, esteemed him highly.

Mr. KEARFUL. You found no antagonism of the Mexican people against him?

Dr. TAYLOR. I found none whatever.

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Mr. KEARFUL. You were in that vicinity at the time when Mr. Jenkins was kidnapped, were you?

Dr. TAYLOR. Yes; I left there I think on Friday, and they kidnapped him on Saturday. That is, I left Puebla, but I was in the immediate vicinity, either at Mexico City or Guanajuato, when they kidnapped him.

Mr. KEARFUL. Did you have occasion to learn what method of communication was used between Mr. Jenkins while he was in captivity and his wife and his friends?

Dr. TAYLOR. I am personally acquainted with the people by whom the letters were carried or transferred back and forth between Mr. and Mrs. Jenkins.

Mr. KEARFUL. What does that indicate with reference to the facility with which the Government officials could have found the abductors of Jenkins if they had wanted to?

Dr. TAYLOR. The parties who were carrying the letters, to whom the letters were delivered for Mrs. Jenkins by the woman who carried most of them and by others, who carried the remainder, and to whom the letters were delivered by Mrs. Jenkins, to be sent on to him, told me that on one occasion a letter was received in the early morning from Mrs. Jenkins with an accompanying note that said, "This letter should have been delivered last night, but it reached our place of business after we had closed, all except the office, and our servants were gone, but we have sent it to you the first thing this morning after opening our business." Which seemed to indicate to me that much of the operations and negotiations regarding the ransom were carried on right in the City of Puebla.

Mr. KEARFUL. The question was whether these operations indicated that the Government officials could have found Jenkins's abductors if they wanted to?

Dr. TAYLOR. Well, I was merely answering that by giving this concrete example of the facts that the thing was carried on to a large extent right there under their own eyes, and to my mind there is no question—of course, I can not speak with knowledge—but I understood that he was never at any time more than 10 or 12, or maybe 15, miles away from the City of Puebla, and when they brought him back they brought him to the car line.

Mr. KEARFUL. Puebla is a very large city, is it not?

Dr. TAYLOR. A city of about 125,000.

Mr. KEARFUL. It is the second city in Mexico, is it not?

Dr. TAYLOR. Well, I think it ranks next to Mexico City.

Regarding Mr. Jenkins, I would like of my own accord to say that, concerning the question of his being implicated in the kidnapping and getting an interest in part of the money, for one to know Mr. Jenkins, know his business, the millions he is worth, and the way he is making money, and his interest in Mexican people, and the money he is giving for benevolent work among them, and the treatment he had while he was held in custody, makes such charges utterly ridiculous.

Mr. KEARFUL. What do you judge was the reason why the Government officials did not undertake to capture the abductors of Jenkins?

Dr. TAYLOR. I, of course, could only answer that by giving my opinion, but I might answer it by quoting a conversation with a

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railroad conductor. I ought not to tell on what railroad it was, as I might get the poor fellow in trouble.

Mr. KEARFUL. It is not necessary.

Dr. TAYLOR. I might answer it by quoting a conversation with a railroad conductor on a train on which I traveled, who spoke English. I asked him about a certain railroad being open and whether it was as safe as the one I was traveling on with him. He said that one was not a damned bit safe. He said, "Look at the trains, engines, and oil tanks down here in the gorge, if you think it is safe." I asked him if he had had any wrecks of his own trains. As well as I remember he said not since last week. I asked him if he thought there was any danger of one that day. He said, "If they know we have any money on here or find that we have very many soldiers there will be, for it is generally the soldiers they are after." I asked him then if we did not have soldiers enough on to protect us. He said, "Mister, I'm a good runner myself. I have proved it since they have been blowing up the trains, but there isn't a soldier on this train but what can outrun me and they will prove it to you if our train is blown up." I said, "The bands are not very large, are they, when they blow up a train?" As well as I remember, he said not over 25 or 50, and I suggested that we had more soldiers than that; that they would, therefore, be able to capture the bandits, and asked him if they did not always do that. He said, "Stranger, are you a fool? Don't you know that the general in charge of this section has possibly 500 or 1,000 men and draws a salary for 2,000 or 2,500? Why does he want to lose his job by capturing the bandits, so that he will have nothing to do and not be able to pad his list and draw a large salary on it?"

This, in my judgment, and in the judgment of this Mexican gentleman who, of course, is a Government official, in that he is a conductor on a Government-operated road, is the explanation of why many of the bandits are not captured.

Mr. KEARFUL. In a propaganda pamphlet recently issued by the League of Free Nations Association there was a letter to the Evening Post, in which it was stated that the writer had been in Mexico recently, in October. That is the same time you were there, is it not?

Dr. TAYLOR. Yes.

Mr. KEARFUL. He said, "I spent this recent October in Mexico. The country is prosperous and at peace." And again he says, "On the basis of personal knowledge I assert again that Mexico is prosperous and except in a few retired and unimportant sections peaceful." Is that a true statement as you found it at that time?

Dr. TAYLOR. I went to Mexico the 1st of October, I think the very first day, and left there the last days of November, and from what I saw and heard I would not at all consider that the conditions as I found them.

Mr. KEARFUL. About the same time Mr. Charles A. Douglas, personal counsel for the Mexican Government, was in Mexico City and gave out an interview in which he stated that Mexican affairs have been much misrepresented in this country—that is, in the United States—and that he had found the people to be busy, well dressed and contented. Is that a true statement of what you found there at that time?

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Dr. TAYLOR. Well, I saw busy, well dressed, and contented people in Mexico, but that did not represent what I found to be the average or common condition in Mexico.

Mr. KEARFUL. Did you find that to be the general condition of the masses of the people in Mexico?

Dr. TAYLOR. I did not. I could give extreme cases regarding poverty in Mexico, such, for instance, as having gone along a principal street in Mexico City where I found three old women, two of them with white heads, and one little boy sitting on the sidewalk with burlap spread out on which several pails of garbage had been poured, and I found them in the early morning sticking their hands in this garbage up above their wrists, picking out particles of putrid flesh, vegetables, and bread and eating it. I saw a little boy run his hand down in the garbage and pull out a chicken bone and ravenously eat the putrid flesh from it. But I would not consider that a picture of the masses. I only bring that up as the opposite extreme of what you just quoted.

Although I found conditions like this I would not say that Mexico is in that condition as a whole, and while there are well dressed, contented, and busy people there that is certainly not in any manner the general condition as I saw it.

Mr. KEARFUL. The generals of the army and the government officials are well dressed, of course?

Dr. TAYLOR. Yes, sir; they seem to be prosperous.

Mr. KEARFUL. And some of them are fairly busy and all of them contented, are they not?

Dr. TAYLOR. Very well contented with their present position, because I was told by Mexicon people, as well as by Americans, that there were generals there now worth a few million dollars who only a few years ago were peons, bare-foot peons.

Mr. KEARFUL. In traveling in Mexico what protection was afforded to the trains on which you traveled?

Dr. TAYLOR. Practically all the trains I traveled on carried one or more, I suppose they were steel cars, filled with soldiers, with holes in the side for them to shoot out through, and in some cases they had an exploring train go ahead of our train, and that also loaded with soldiers.

Mr. KEARFUL. You were in Mexico at the time when President Carranza made a trip up to his home place in the State of Coahuila, were you?

Dr. TAYLOR. Yes, sir.

Mr. KEARFUL. Do you know of any railroad accidents that happened along the line of travel that he took at that time?

Dr. TAYLOR. I was told the president was at his old home when I was on my way from Neuvo Laredo to Mexico City, and when we left Nuevo Laredo at about 9 o'clock in the morning the train due there the night before about 11 o'clock had not arrived, and they had had no word from it. When we reached Saltillo we were told that it was not safe to travel any farther that night and our train was switched off, and we stayed there until the next morning. We had only gone a few hours that morning when our train stopped and we found that some one—they told me it was the bandits—had gone to a heavy fill which was on a curve and taken up a rail on the out-

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side, laying it back without the spikes being driven, so that the train just ahead of the one I was on on striking this curve had gone off the embankment, possibly 25 or 30 feet, causing one of the worst wrecks I ever saw.

When we arrived they told me that they had already taken 40 dead people and there were still 104 others.

Now I may say that I have heard all kinds of statements about it, but that was the statement that was made to me there that morning. I have seen different statements in the papers. Those who were able to speak and read Spanish told me that the wreck we saw was the fourth one in 24 hours in that section. They told me that this was the country through which President Carranza was traveling and that some of the bandits had even expressed themselves regarding their determination to "get" him. I was also told that on one of his trips he was scheduled to go out on a train following the regular one, but at the last moment his train was put onto the first section. The second section, which was supposed to have been his, I was told was blown up, but it proved to be the passenger train instead of the one on which the President was traveling.

Mr. KEARFUL. What did you ascertain in Tampico about the robbery of pay rolls of oil companies?

Dr. TAYLOR. I talked with many Americans, asking them how many times they had been held up, etc., and found it quite a joke among them as to who had been held up the most often. Some of them had even had their shoes and stockings taken off of them, and I talked also with some men who had been held up and even shot while the pay roll they were carrying was being taken from them.

Mr. KEARFUL. What was the general expression among them as to who committed these robberies?

Dr. TAYLOR. In some case they offered to go and show me—identify Carranza soldiers who, not being in uniform, had gone out at night and held them up. One American from Montana showed me a coat he was wearing and offered to carry the coat and go with me down to the barracks and show me a soldier wearing the vest to that coat, which was taken off of him when they also took his shoes and other clothing.

Mr. KEARFUL. Do the Government soldiers at that place ordinarily wear uniforms?

Dr. TAYLOR. I was told that practically all the soldiers in that section refused to wear a uniform, since they said it would be easy to identify them.

Mr. KEARFUL. Did you have a demonstration of the fact that they did not wear uniforms that were issued to them?

Dr. TAYLOR. I visited one place up in the oil fields where I was told at the tables that the soldiers had all been issued uniforms and caps, and some of the American boys offered to bet me that by the next day there would not be a uniform nor a dozen caps on any of the soldiers in that barracks. About two days later I went up to the barracks and the general gave me permission to take some pictures. In this way I was allowed among the soldiers, and I do not remember to have seen a uniform on any of them except the officers, and I doubt if I saw half a dozen caps on them.

I traveled some with an American who, in company with another American and a Mexican boy, was carrying a small pay roll of, I

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think, $10,000, in a Ford. They were held up, both of the Americans shot, the money taken from them, and the tires of the machine chopped off with their machetes even after they had taken the money. I had both of these American boys open up their clothing that I might see where they were shot, and later on I visited the place of the holdup, photographed the clump of bushes, and went in and examined the holes that had been dug and evidently occupied for days and perhaps for weeks in waiting for them.

When they called the boys to halt, instead of waiting for them to stop the machine, they opened fire, and they told me that possibly about 35 shots were fired. I heard numbers of stories of the same kind.

Mr. KEARFUL. Did you have any interesting experiences of your own while you were down there?

Dr. TAYLOR. Well, up in the Tampico oil fields we were preparing to cross the river one morning and I was taking some pictures of properties belonging to one of the oil companies; some soldiers who had been sleeping on the ground in their little trash-covered huts the night before, saw me and one fellow, bare foot and ragged, so drunk that he could not walk straight, rushed up to me, ran his gun against my breast and told me to give him the film. I proceeded to give him a film, but by that time at least a dozen or 15 more soldiers rushed up with their guns and told me I had to give up my camera and go to the general in charge. They took me to him and after a few words with him he withdrew to another room and sent word by one of his men that he must have $500 gold to release me.

Mr. KEARFUL. Was there any charge of an offense made against you?

Dr. TAYLOR. There was no charge whatever.

Mr. KEARFUL. No trial of any kind?

Dr. TAYLOR. No trial of any kind.

Mr. KEARFUL. Did you pay the amount?

Dr. TAYLOR. Let me go just a little further with that. He did not mention any offense except that I had taken pictures and the photographer traveling with me showed his permit to photograph all public buildings and parks, including the national palace and the Chapultepec palace, but the general said that didn't apply to his territory, that he was handling things there. He did not mention, however, any crime that I had committed should be punished by a certain fine or imprisonment, but simply said he must have $500 gold.

Mr. KEARFUL. You were not brought before any judge?

Dr. TAYLOR. No, sir.

Mr. KEARFUL. Did you pay the amount demanded?

Dr. TAYLOR. They finally reduced it to $200.

Mr. KEARFUL. You negotiated a reduction to $200 and finally paid that?

Dr. TAYLOR. Yes; others paid it. They finally sent me away and carried the negotiations on and it was paid.

Mr. KEARFUL. Did you find a large population in Mexico City?

Dr. TAYLOR. Yes, sir; they told me it was abnormally large.

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Mr. KEARFUL. What was the reason for that?

Dr. TAYLOR. That people had come in from the haciendas and villages around and where they could not get any protection.

Mr. KEARFUL. Were there a number of hacendados and large farmers from the haciendas?

Dr. TAYLOR. I was told there were large numbers of them in Mexico City.

Mr. KEARFUL. Did you talk with any of them in regard to conditions in Mexico?

Dr. TAYLOR. Not with very many. I talked with one on the train as he went back to hacienda after having been away, he said, for three years; the soldiers having taken charge of his property and he not allowed to return. He wept as he told me he was eager to go to work and do something.

I had letters of introduction to other men in Mexico City who were driven from their haciendas whom I did not call on, but was told if I would call on them I would find them actually in a state of poverty, not having really sufficient food to eat.

Mr. KEARFUL. Did you learn the opinion of those people in regard to what should be done for Mexico?

Dr. TAYLOR. Large numbers. I had men of that station in life, also of the peon class, say to me, "Our troubles can never be settled by the Mexicans. Some help will come from without. In the name of God, since you will have to do it, why don't you Americans come on and do it, so we will have peace and our business will begin to prosper?"

Mr. KEARFUL. Did you learn about the schools in Mexico City?

Dr. TAYLOR. I was told that large numbers of them were closed.

Mr. KEARFUL. Did you learn the opinion of the teachers of those schools about conditions in Mexico and what should be done about it?

Dr. TAYLOR. I did not talk with any teachers of the schools that were closed. I talked with teachers of schools whose schools were in operation—open—and they were very frank to say that the present Government was not succeeding and never would, and that there were not more than 25 per cent of the children in the schools now that were in school when Diaz was at the head of the Government, and that it would be absolutely necessary to have some kind of outside help to get things running as they should in Mexico. Those were not disgruntled teachers who had lost their positions, but are now teaching in Government schools.

Mr. KEARFUL. Did you visit Guanajuato?

Dr. TAYLOR. I did.

Mr. KEARFUL. In what condition did you find that city?

Dr. TAYLOR. They told me that prosperity was beginning—that business was beginning to be resumed, and Dr. Salmons, in charge of the hospital of the Methodist Episcopal Church in Guanajuato, told me that the population of the city and villages around about that got their mail there was about 98,000 when the mines had to close and Americans leave, when he also had to close his hospital and get out. He said the exodus began immediately, and that 28,000 passes for entire families were issued by the Government, and that even after he went back to the city the exodus continued until the population was reduced to about 5,000.

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The statement that is generally made about that is 10,000, but Dr. Salmons told me 5,000, and it might create less criticism to put it 10,000. But he told me that half of the entire population died either before they got out of the city or on the roads as they were leaving.

Mr. KEARFUL. What was the cause of the deaths?

Dr. TAYLOR. I understood that, on account of malnutrition, when disease struck them they were swept away like flies.

Mr. KEARFUL. What is your remedy for conditions in Mexico?

Dr. TAYLOR. I think, as I said to Consular Agent Jenkins, that the only final hope of a real established condition in Mexico is to lift up the moral standing for them; put in schools, hospitals, and give them Jesus Christ as a moral anchorage, enabling them to measure up to a decent standard. This, of course, will mean 15 or 25 years, but during that interim, or for immediate help, much as I would hate to see it, I fear there is very little hope except by some kind of help from without. I have hoped, however, that there might be something done either by the Allied nations or by America, Great Britain, and France, approaching Mexico in concerted action.

Mr. KEARFUL. Do you think that Mexico can be saved by preaching the Gospel of Jesus Christ without any other measures for the establishment of a government?

Dr. TAYLOR. No; I do not think that can be done to any large extent without the establishment of the government. In other words, I think missionary work will be carried on in a very small degree until there is something more established in the way of government.

Mr. KEARFUL. Is it your opinion that the missionaries should go into Mexico with a sword in one hand and the Bible in the other?

Dr. TAYLOR. No .

Mr. KEARFUL. Do you think that anything can be done to rehabilitate Mexico without first establishing a Government that can maintain peace and order permanently?

Dr. TAYLOR. I do not. I think that is the only thing for Mexico.

Mr. KEARFUL. Do you think that can be done except from the outside?

Dr. TAYLOR. I am very much afraid it can not be.

Mr. KEARFUL. That will be all unless you have a further statement to make.

Dr. TAYLOR. No; I think not.

Mr. KEARFUL. Thank you very much, Doctor.

(Whereupon, at 4 o'clock p. m., the committee adjourned.)

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INVESTIGATION OF MEXICAN AFFAIRS.

TUESDAY, FEBRUARY 3, 1920.

UNITED STATES SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON FOREIGN RELATIONS,
Washington, D. C.

Testimony taken at Washington, D. C., February 3, 1920, by Francis J. Kearful, Esq., in pursuance of an order of the subcommittee of the Committee on Foreign Relations of the Senate.

TESTIMONY OF MR. HENRY HOBART KNOX.

Mr. KEARFUL. Please state your full name.

Mr. KNOX. Henry Hobart Knox.

Mr. KEARFUL. Where do you live?

Mr. KNOX. 68 East Eighty-sixth Street, New York.

Mr. KEARFUL. What have been your operations in Mexico?

Mr. KNOX. As a consulting engineer since about 20 years ago; consulting mining engineer.

Mr. KEARFUL. You are familiar with the conditions in Mexico under the rule of Porfirio Diaz.

Mr. KNOX. Under the rule of Porfirio Diaz?

Mr. KEARFUL. And subsequently of Madero and Huerta and Carranza?

Mr. KNOX. Yes, sir.

Mr. KEARFUL. What were the conditions under Diaz as to security and protection for property and enterprises?

Mr. KNOX. Under Porfirio Diaz I consider the Republic of Mexico to have been as safe and secure a country as any I have been acquainted with. We could go in any part of the country far remote with a feeling of perfect security.

Mr. KEARFUL. When did you find the first difficulties beginning?

Mr. KNOX. The first difficulties I encountered were under Madero, during the Orozco revolution. I was in Parral at the time of the defeat of Orozco by Gen. Huerta at Conejos. Orozco was in retreat at the time I was leaving the Parral district, and I left with the retreating insurgents northward. I may add to that, that at the time there seemed to be little danger, personally; that I was open to capture in two or three places at the time, but the foreigners seemed to be in no personal danger, as there was no animus at the time against Americans; no disposition to do the stranger violence, or hold him for ransom or anything of that kind, all of which manifested itself somewhat later.

Mr. KEARFUL. When did that condition first begin?

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Mr. KNOX. That condition first began, I should say, during Huerta's régime as president.

Mr. KEARFUL. That would be what year; 1913 or 1914?

Mr. KNOX. 1914, is my impression.

Mr. KEARFUL. Huerta resigned, I think, in June, 1914, or July?

Mr. KNOX. July, 1914?

Mr. KEARFUL. Yes.

Mr. KNOX. Well, I would amend that, then; I would strike out "in Huerta's régime," and make it the year 1914.

Mr. KEARFUL. About the end of Huerta's régime, was it?

Mr. KNOX. Yes; it would be—well, some time during 1914.

Mr. KEARFUL. Will you proceed to describe the conditions as you observed them with reference to security for business operations from that time on?

Mr. KNOX. From that time onward, in the State of Chihuahua, as far as I know it, most of the smaller outlying mining properties have been closed down for the reason that they could not continue to operate with security to life. I would cite as an example the copper property at Terrazas, which, as far as I know, has never made a serious attempt to resume, although directly on the Mexican Central Railway. Garrisons have been sent out there and chased away.

The mines situated near the larger cities have continued to operate, with interruptions. I am speaking now of such camps as Santa Eulalia, Parral, and Cusi. They have all been at times interrupted, sometimes for very long periods. In the Parral district the reasons have not always been because of actual violence, but for considerable periods also because of interruptions in railway traffic between Parral and Jimenez. Last year the tunnel between these two towns was blown up and the traffic interrupted for several months.

In many cases under Gen. Murguia garrisons were asked for and sent out to outlying mines, but in all of those cases of which I have any knowledge their withdrawal was asked for by the mine owners for the reason that they gave no military protection, on the one hand as they invariably deserted at the first sign of an attack, while on the other hand they were an actual danger to life and property of the people at the mines. They robbed and looted, and in the evening, when they were usually drunk, they would shoot up the place and make it dangerous.

Mr. KEARFUL. Soldiers of Murguia?

Mr. KNOX. Regulars.

Mr. KEARFUL. Going back a little to the time of the Orozco revolution against Madero, what character of operations were conducted by Orozco?

Mr. KNOX. Regular military operations were conducted by Orozco, with large forces that would properly be called armies.

Mr. KEARFUL. Did he perpetrate outrages and robberies on the people?

Mr. KNOX. I have not been informed of any such. It was not a matter of general information, at all events, in those parts where I was at the time. I do know we went about freely at the time without hearing of such disturbances.

Mr. KEARFUL. Then, later in the revolution against Huerta conducted by Villa, under Carranza, what was the nature of his operations?

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Mr. KNOX. I can not say from my own information, because there was a period at that time when I was not in Mexico. I was in Europe during the full period of those operations.

Mr. KEARFUL. Murguia, whom you mentioned, was one of Carranza's generals operating in that region?

Mr. KNOX. Yes, sir.

Mr. KEARFUL. What was the nature of his operations?

Mr. KNOX. Murguia was Carranza's military governor of the northern district. It is commonly reported that Gen. Murguia owns two large ranches, one in the State of Durango and one in Chihuahua, but he gathers cattle in Chihuahua, levying on the peons or ranchers, or wherever he can get them, and ships them to his Durango ranch, whence they are sold. On his Durango ranch he uses his authority to imprison the peons on various charges and ship them up to Chihuahua ranch to work as forced labor.

He also would levy contributions on all produce carried into the cities and towns by the neighboring ranchers on the pretext of supplying his troops.

Mr. KEARFUL. These ranches were acquired after he became prominent in the Government of Carranza?

Mr. KNOX. That I can not say positively. My impression is that Murguia, since the beginning of Carranza's present revolution, rose from very humble beginnings.

Mr. KEARFUL. Rose to what point?

Mr. KNOX. Rose to high military rank, and the post of military governor of the north.

Mr. KEARFUL. I mean financially.

Mr. KNOX. He is reported to be a multimillionaire, and I was told, on authority which I myself accepted, that his monthly deposit for the month of October, 1917, at an El Paso bank was somewhat over $200,000. This was not reported as an exceptional deposit for the month.

Mr. KEARFUL. What have been the operations of your company? I believe you are connected with some company down there.

Mr. KNOX. Yes.

Mr. KEARFUL. What have been the operations of your company during the times you have mentioned?

Mr. KNOX. Since 1914 they have been able to operate about 12 months—not over 12 months in all.

Mr. KEARFUL. Was there any difficulty in operating before that time?

Mr. KNOX. The first difficulty in operation encountered was occasioned by the retreat of the Orozco forces in 1912, the reason being that Orozco destroyed the railway between Chihuahua and Juarez almost completely. I believe very nearly 200 miles of that railway was destroyed by rolling up the rails, and it took many months to reestablish traffic.

Mr. KEARFUL. What have been the reasons for your failure to operate more than 12 months during this whole period since 1914?

Mr. KNOX. As an example, in the latter part of 1915 the State Department ordered American citizens to leave the country. That meant the suspension of smelting operations, which forced the closing down of the mines tributary to the smelters, even though they

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were willing to take the risk of remaining where they were. Another long suspension was the consequence of the blowing up of the tunnel between Parral and Chihuahua. On other occasions actual military operations between the Carranza forces and the insurgent forces in that district compelled the closing down of operations because traffic could not be carried on, supplies could not be brought in.

Mr. KEARFUL. From your observation of conditions, what is the prospect for improvement?

Mr. KNOX. I see no prospect whatever for improvement, under present conditions, simply because the same conditions prevail to-day, so far as I can see them, as have prevailed for several years past.

Mr. KEARFUL. Is there a prospect that the disorders will be discontinued, that the Carranza forces will be able and willing to establish order?

Mr. KNOX. There has been, for the last few months, an improvement in the maintenance of order in the State of Chihuahua. There has been a lull in the outbreaks, but personally, I do not see that the conditions have changed sufficient to insure permanence to this state of affairs.

Mr. KEARFUL. What is the ground of your apprehension about that?

Mr. KNOX. Merely that I see no change in the circumstances. A certain set of conditions have prevailed for several years past in Mexico, a set of conditions which have been unfavorable to peace and order. I see no change in those conditions which would insure permanent peace and order.

Mr. KEARFUL. What is the attitude of the Carranza generals toward that condition?

Mr. KNOX. Gen. Dieguez is now military governor of Chihuahua. His assurances and protestations are favorable, as, indeed, have been the assurances of all his predecessors.

Mr. KEARFUL. From the operations of his predecessors, did it appear that it was their desire to put down disorders and create a state of law and order?

Mr. KNOX. They manifested it only by word of mouth. They took no action looking to order.

Mr. KEARFUL. What is your conclusion as to whether Carranza generals really desire the discontinuance of the disorders.

Mr. KNOX. I can not speak of Gen. Dieguez's intentions from my own experience, as he assumed his office subsequent to any visit of mine to the country. That is, within the past few months. So, I really can not express a personal opinion.

Mr. KEARFUL. Well, as to his predecessors.

Mr. KNOX. As to his predecessors, they have been, one and all, men who have fattened on the country, by thievery and looting and graft; they have oppressed the people to the last degree in order to enrich themselves. The burden of their misgovernment and tyranny seems to have fallen more upon the poorer people than anybody else. They have been unable to save themselves or help themselves, and have had to accept the conditions that were imposed upon them, until to-day they are in the most abject misery and poverty, amounting to hunger and nakedness.

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Mr. KEARFUL. Do the present improved conditions of which you speak extend to the point of eliminating Villa from the situation?

Mr. KNOX. I only know that Villa's position has not changed at all from what it has been in the past. He is still able to go and come as he chooses.

Mr. KEARFUL. How is he considered by the people of that region?

Mr. KNOX. Villa is generally considered by the people of that region as the only person who will give them order and a certain primitive, rudimentary justice when he is in charge. When Villa is in charge, he takes charge of a place or a district, and the immediate consequence is suppression of looting, robbery, and drunkenness, his first act being always to close the saloons. All the looting and robbery he reserves for himself. He will not allow his men to indulge in that on their own account.

Mr. KEARFUL. Is he moderate in that respect? Does he leave anything or does he make a clean sweep?

Mr. KNOX. He is moderate in that respect. He makes a levy of what he calls a tax to his cause, his government, on those citizens who are able to pay, and he taxes them in accordance with their ability to pay, and gives them a receipt for it, and that payment exempts them for a certain period from another levy of that kind. They apparently pay that willingly, for the reason that it carries with it finality.

Mr. KEARFUL. How does that compare with the operations of the Carranza generals?

Mr. KNOX. The general feeling is that there is no finality about their levies. If they pay to-day they are not exempt from paying again to-morrow, and still again the day after to-morrow. They do it quite politely. The man in authority under the Carranza régime invites the surrounding people of consequence to meet him at a council to determine a basis to restore order and prosperity to the country. Of course, that can never be accomplished without funds to carry it on, and those funds must be subscribed by citizens of means.

Mr. KEARFUL. Do the operations of Villa fall most heavily on the poor classes, or on those who are most able to pay?

Mr. KNOX. They fall on those most able to pay.

Mr. KEARFUL. Where does Villa get his munitions of war?

Mr. KNOX. Villa seems to get a certain amount of his supplies from the Texas border, around Presidio. He also takes it by capture from the Carranza forces, and provisions and supplies of that kind he gets in part from captured trains.

Mr. KEARFUL. Have you observed the condition of the rolling stock in the region with which you are familiar along the railroad? If you have, please describe it.

Mr. KNOX. The privately-owned railroad stock, such as that of the American Smelting and Refining Co., is well kept up. The rolling stock of the railway is distinctly dilapidated. The passenger coaches are without window glass, without lamps.

Mr. KEARFUL. The private trains of which you speak are freight trains?

Mr. KNOX. Those are freight trains exclusively.

Mr. KEARFUL. You say they are operated by the American Smelting and Refining Co.?

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Mr. KNOX. Yes.

Mr. KEARFUL. Owned by that company?

Mr. KNOX. Owned by them.

Mr. KEARFUL. And kept in condition by them?

Mr. KNOX. And kept in condition by them.

Mr. KEARFUL. What arrangement is made for operating those trains?

Mr. KNOX. I understand that the arrangement is that the private owners shall furnish the rolling stock and pay for the train crews, and at the same time they pay to the railway administration the regular freight tariff per ton of cargo carried.

Mr. KEARFUL. The same tariff that would be exacted in case the rolling stock were furnished by the railroad?

Mr. KNOX. By the railroad.

Mr. KEARFUL. What is the condition of the roadbed in that region?

Mr. KNOX. The roadbed is rough, but still passable at the ordinary speed of a freight train, save where the bridges have been burned out—which most of them have—and shoo-flies substituted.

Mr. KEARFUL. What is the shoo-fly to which you refer?

Mr. KNOX. When a bridge is blown up, the line is carried down into the gulch, and if there is water running in the gulch ties are piled up and the rails laid on the ties. It is carried across in that way, and then up the opposite bank by a grade of perhaps one in eight or ten, or one in ten or twelve.

Mr. KEARFUL. Is that the condition now of the roadbed?

Mr. KNOX. It was a year ago; there were many such. That makes transportation possible during the dry season, but when the rains come these temporary crossings are washed out.

Mr. KEARFUL. Are you familiar with the various acts of this Government in reference to ordering Americans out of Mexico and sending expeditions into Mexico?

Mr. KNOX. Yes, sir.

Mr. KEARFUL. What has been the effect upon the Mexicans of the pursuit of that policy?

Mr. KNOX. It has been to destroy all prestige for Americans in the eyes of the Mexicans, and to bring the United States Government into contempt.

Mr. KEARFUL. Is there any particular expression that the Mexicans use in reference to Americans in order to express their contempt?

Mr. KNOX. For several years Americans have been called "white Chinamen" amongst the Mexicans, meaning thereby that when Americans are attacked they endure it without retaliation.

Mr. KEARFUL. Does that mean that they are classed as white-livered cowards?

Mr. KNOX. Exactly.

Mr. KEARFUL. Due to the operation of the policy that has been pursued by this administration in Mexico?

Mr. KNOX. Yes; the general feeling is that when the Mexicans come into contact with Americans that the Mexican dominates—he defeats them; he wrecks them. They cite Columbus and Carrizal especially in proof.

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Mr. KEARFUL. Did you yourself have personal experiences in getting out of Mexico which illustrated that point? When was it that you came out of Mexico?

Mr. KNOX. I came out of Mexico last the first of December, 1917. I have been told that when Martin Lopez attacks a train—or, rather, I was informed that when Martin Lopez attacked the train—he made it a practice to inquire of the conductor whether he had any Americans amongst the passengers. The conductor who related this to me said that at no time had he happened to have Americans on the train when it had been attacked by Lopez.

Mr. KEARFUL. Lopez was the man who was in command of the Mexican forces that perpetuated the massacre at Santa Isabel?

Mr. KNOX. Yes.

Mr. KEARFUL. At which some 19 Americans were slaughtered?

Mr. KNOX. Yes.

Mr. KEARFUL. What was your experience?

Mr. KNOX. In June, 1917, I was at the Naica mine in Chihuahua and was attacked by a band and driven underground for 24 hours. I was attacked in the night, and held off the band long enough to take refuge underground and escaped in the interval between the time of their riding away to get reenforcements and the arrival of the reenforcements.

Again, in the latter part of November, 1918, I was traveling from Chihuahua City to El Paso when about half way the train came to a stop because the wires were down ahead. In the course of time it developed that Villa had captured Villa Ahumada that morning, had detached 200 men under Martin Lopez to ride southward and attack the north-bound train. This train had been delayed about two hours, and under that circumstance escaped. Lopez had his men drawn up on either side of the track, intending to shoot the train to pieces on its arrival at a certain bridge. Becoming impatient, however, he burned the bridge and returned to Villa Ahumada.

After a wait of 24 hours at Moctezuma station my train returned to Chihuahua City and traffic was interrupted for a week until the line could be repaired and the troops sent out to guard it.

Mr. KEARFUL. You are an American citzen, are you?

Mr. KNOX. Yes, sir.

Mr. KEARFUL. Have you had occasion to deny your American citizenship in order to escape from danger in Mexico?

Mr. KNOX. I never have. I hope I should never have done so, but it was done for me and without my knowledge on one occasion.

Mr. KEARFUL. What was the occasion?

Mr. KNOX. It was the case previously referred to when attacked at Naica. On my way out I had engaged a box car for the transportation of myself and party, in which party was a native Mexican, who made all the arrangements. After reaching El Paso he told me that whenever inquiry as to who we were he always replied that we were a party of German engineers; did that in order to avoid any trouble with the natives.

Mr. KEARFUL. That was at a time when we were at war with Germany?

Mr. KNOX. We were at that time at war with Germany.

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Mr. KEARFUL. How are the Germans generally treated by the Mexicans?

Mr. KNOX. The Germans were always well treated by the Mexicans and were in good relations with them.

Mr. KEARFUL. They did not consider them as "white Chinamen?"

Mr. KNOX. No.

Mr. KEARFUL. What is your idea as to what ought to be done to rehabilitate Mexico?

Mr. KNOX. The only salvation of Mexico that I myself see is in the reestablishment of the rural guard.

Mr. KEARFUL. As it was in the time of Diaz?

Mr. KNOX. As it was in the time of Porfirio Diaz, when it was commonly considered to be one of the most efficient constabulary forces in the world.

Mr. KEARFUL. Do you see any indications of an intention of the Mexicans to reestablish that guard?

Mr. KNOX. There are none whatever visible at the present time. It is very doubtful whether it could be done under present conditions. Such a man as Felipe Angeles could undoubtedly have established such a force if he had been given an opportunity.

Mr. KEARFUL. He was a man recently executed?

Mr. KNOX. Recently executed.

Mr. KEARFUL. Do you believe that order can be established under that or some other adequate system without assistance from the outside of Mexico?

Mr. KNOX. It is difficult to believe that it can be done without outside assistance, any more than it could have been done in the Philippines or in Cuba. Down in Cuba it does, I believe, remain an efficient force, or at all events was so, as I know, for several years after the close of the Spanish War. Such a force once established, with anything like such a government as I believe Mexicans to be capable of, would, in my opinion, remain permanent.

Mr. KEARFUL. You say that the Mexicans are capable of maintaining a government. Do you mean the class of Mexicans who are now in charge of the Government?

Mr. KNOX. Not that class of Mexicans who are now in charge of the Government. I am speaking of such Mexicans who have been in charge of the Government in times past.

Mr. KEARFUL. Do you know where that class of Mexicans are living at the present time?

Mr. KNOX. Yes; in foreign parts.

Mr. KEARFUL. Have you had occasion to learn the attitude of Mexicans of the intelligent and better class toward intervention by this country for the purpose of enabling them to establish a government in Mexico?

Mr. KNOX. I can not say that I have. I have in recent years met very few men of that class in Mexico—intelligent natives. Those that I happen to know in this country—those resident in New York—are, as far as my knowledge extends, in favor of intervention, believing it to be the only salvation for their country.

Mr. KEARFUL. What is the attitude of the laboring classes, if you know?

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Mr. KNOX. The attitude of the laboring classes is one of absolute indifference as to who governs them as long as they be given the opportunity of earning their living without molestation.

Mr. KEARFUL. Are they a bloodthirsty, fighting class of people, or are they a docile and working class?

Mr. KNOX. They are a docile, peaceable class of people who long for the restoration of law and order in order that they may go about their business without being robbed and abused.

Mr. KEARFUL. What percentage of the population does that class comprise?

Mr. KNOX. I should say, roughly, 90 per cent.

Mr. KEARFUL. What percentage of the population would you say comprised that class which has been engaged in looting the country for personal benefit of the commanding officers?

Mr. KNOX. Well, it is very hard to say. It is a very small proportion of the whole. The matter is complicated by the large number of bandits and robbers who are not so naturally, but are driven to it through sheer want. The regular soldiers would probably behave themselves under ordinary discipline if they were paid and fed, but not being so, are driven to take what they require where they can get it.

That is so, to a considerable extent, of the peons themselves, the peasantry. When they get hungry and cold and feel the necessity strong upon them, they take what they need from other people, when they get the chance. I know it to be the practice of people to go about their business in a motor car, and go about the country driving with a cocked revolver in one hand. They are not afraid of organized bandits of any kind, but of the native who is seeking every opportunity to get something that he needs.

Mr. KEARFUL. That is all I care to ask, Mr. Knox. Is there anything further you would like to state?

Mr. KNOX. There is nothing further save this: Since you have asked me my opinion of the only possible remedy, I feel it necessary to say that if armed intervention is undertaken by this country it must, in order to avoid great difficulty and unnecessary bloodshed, be of such a nature as to make it unmistakable to the Mexican people that this country means business; that it is not another Tampico incident, and above all things, not another Pershing expedition.

Mr. KEARFUL. Do you think that because of those incidents it would be more difficult to convince the Mexicans that we would mean business than it would be if those incidents had not occurred?

Mr. KNOX. I believe that, and those incidents are regrettable as furnishing the arguments which are used in Mexico that Americans will not fight. When making that statement they point to those two incidents.

Mr. KEARFUL. So that in your opinion any strong policy that might be adopted would have to be strongly enforced in order to show them that we mean business?

Mr. KNOX. Yes.

Mr. KEARFUL. And you think that a very much greater demonstration than would have been necessary but for those two incidents?

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Mr. KNOX. I do not know that it would have to be numerically stronger than otherwise, but it will have to be more vigorous than otherwise. It must be so vigorous as to be absolutely unmistakable to them as to what is intended.

Mr. KEARFUL. In other words, you believe that whatever we might say at the present time, on account of those incidents, it would be considered a bluff until it is made good?

Mr. KNOX. Until it is made good.

Mr. KEARFUL. I believe that is all, thank you.

(Witness excused.)

TESTIMONY OF NILS OLAF BAGGE.

Mr. KEARFUL. State your full name.

Mr. BAGGE. Nils Olaf Bagge.

Mr. KEARFUL. What is your business?

Mr. BAGGE. Consulting engineer, 38 Park Row, New York.

Mr. KEARFUL. How long have you been in Mexico?

Mr. BAGGE. I went to Mexico in 1898, making examination of mines in Sonora.

Mr. KEARFUL. How many years have you spent in Mexico since that time?

Mr. BAGGE. On and off, 16 years.

Mr. KEARFUL. Are you acquainted with the conditions in Mexico under Porfirio Diaz?

Mr. BAGGE. Yes, sir.

Mr. KEARFUL. What were they as to law and order?

Mr. BAGGE. They were splendid.

Mr. KEARFUL. Was there any difficulty about transacting business or traveling in any part of the Republic of Mexico?

Mr. BAGGE. None at all. I have traveled on mule back from the Atlantic slope to the Pacific slope several times without any gun or any protection of any kind.

Mr. KEARFUL. Could you do that now?

Mr. BAGGE. Oh, no.

Mr. KEARFUL. When did the conditions change?

Mr. BAGGE. They changed in 1913 and 1914. That is, as far as it affected anything against the Americans. We, of course, were in more or less difficulties between the two conflicting factions, but not as Americans. But in 1913 or 1914 that feeling against Americans commenced to develop.

Mr. KEARFUL. You say in 1913 or 1914. Can you place the date at the happening of some event?

Mr. BAGGE. Yes; at the time that Ordzco began fighting as a red flagger, I think they call them; fighting Villa, who was then fighting under Carranza.

Mr. KEARFUL. That was in 1914, was it not?

Mr. BAGGE. It may possibly have been. I have not the date with me. It seemed to me, though, it was in 1913.

Mr. KEARFUL. The American forces landed at Vera Cruz in April, 1914, and Huerta abdicated in July, 1914.

Mr. BAGGE. Yes; but Huerta disposed of Madero in 1913, was it not?

Mr. KEARFUL. In February, 1913.

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Mr. BAGGE. And then Orozco fought under Huerta.

Mr. KEARFUL. Yes.

Mr. BAGGE. At that time a good many outrages had been committed against the Americans, and no retaliation had been attempted, or at least had not been accomplished, and regard for American life had been growing less and less, and that was in 1913.

Mr. KEARFUL. And how have the conditions been since that time? Have they been better or worse?

Mr. BAGGE. They have been particularly bad since Carranza gained control.

Mr. KEARFUL. When was that?

Mr. BAGGE. That was in the early part of 1915.

Mr. KEARFUL. What was the feeling toward the Americans under Diaz and Madero and Huerta?

Mr. BAGGE. The very best, and particularly well in Mexico City; treated as well as we deserved if we acted decently.

Mr. KEARFUL. What have you to say about the statement that has been made often in this country, sometimes emanating from high official sources, that Americans operating in Mexico are not entitled to consideration because they were engaged in exploiting the Mexicans.

Mr. BAGGE. That is mendacity, I think. Most Americans went into Mexico to examine the resources, and they found mines dormant, exhausted, unprofitable. I will give you a few data as to that.

In the years 1872 and 1873, Mexico's gold production was $976,000; the silver production was $21,441,000. This was the period before the advent of American-built railways.

In the years 1882–83—that is one decade afterwards—the Mexican gold production was $956,000, and the silver production was $29,565,000.

Ten years after, in the year 1900–1901, at the time when the cyanide method was introduced into Mexico by Americans, the gold production was $8,843,000 and the silver production was $72,368,795.

Now, that shows that when the Americans built the railroads and opened arteries of trade, and also more ores to be moved, that material benefits came to Mexico.

Mr. KEARFUL. What was the condition of mining properties in Mexico generally when the Americans went in there? Did the Americans, when they went in, find rich, profitable mines, which they took away from the Mexicans for the purpose of exploitation?

Mr. BAGGE. They did not. They found, as I said, the industry dormant, the mines virtually exhausted. They brought their organization ability and industry and their application of up-to-date methods and applied them to that industry, and, as I show by the statistics given you, increased the output. They found that the old bonanza, which had, in years covering centuries, produced these hundreds of millions on which Mexico is exploited as a marvelously rich country, were all worked out, the Mexican had taken the cream and the American got the skimmed milk, but he took the skimmed milk and made it profitable by his ability.

But, before that, I want to say that the Mexican asks and receives a better price from the American than the American would receive from one similarly situated. The reason for that is, in my judgment,

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that Mexico had been the land of promise; it had been very well advertised, and the cheap labor, of course, was an incentive, which enabled the Americans, with their better knowledge of working on a large scale, to work these properties.

Mr. KEARFUL. What effect did the operations of Americans have upon the conditions of labor in the mines?

Mr. BAGGE. Well, the Americans found that the Mexican mine owner, in all cases, practically, kept the store, known as the tienda; that the peon, who got very low wages, would be allowed credit, and eventually was in debt to the store. The rseult was he never had a chance to either take care of himself or his family, or do anything for them.

Mr. KEARFUL. What effect did the American operations have upon that system?

Mr. BAGGE. Well, Americans raised the wages, not because they wanted to compete with the Mexicans, but because their larger-sized operations required more men. That, of course, gave rise to a feeling against the Americans amongst the well-to-do Mexicans, because they raised the wages of the peons. The Americans never ran stores, unless the property was so far away from the railroad that it would be a help to the Mexicans.

Mr. KEARFUL. What about the actual working conditions in the mine? Were they better?

Mr. BAGGE. The Mexican works his mine different from the way we do. He is an excellent miner, a wonderful prospector, but he knows nothing about sanitation. He has no ventilating system, and he works by manual labor where we will apply machinery to lessen the labor, and we installed ventilating systems, something the Mexican had never before had. We put in hoists and cages, where a Mexican would have to carry his ore to the surface on his back, sweating blood all the way for a few centavos a day; there could not be any more of a beast of burden than an ordinary Mexican in the ordinary Mexican mine.

Mr. KEARFUL. How was that condition under the American operations?

Mr. BAGGE. We have applied the same methods we have applied here; sanitation, ventilation, safer system of stopping, whereby we have less accidents from caves; we do not rob the pillars of the mine, like the Mexican has done. After he had taken his bonanza, he would cave his property. That we would not permit. An American would not go into a Mexican mine to work under those conditions, so, of course, we could not expect the Mexican to work where an American would not go in.

Mr. KEARFUL. You worked the Mexicans under the same conditions that you worked the Americans?

Mr. BAGGE. Yes. I will say this, the Mexicans themselves, the mine owners, have improved their methods very much in that regard since they had the example of the American methods, and, at the same time, their methods are still very crude.

Mr. KEARFUL. So that the operation of the American miners has been to improve not only the conditions in their own mines, but those in the Mexican mines themselves?

Mr. BAGGE. Yes; that is so.

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Mr. KEARFUL. And with respect to the payment of wages; did the Americans continue the payment from the tiendas?

Mr. BAGGE. No. In the first place you can not apply that the same as the Mexican. It is a little way of doing business. An American does not do it in that way. It is too much difficulty.

I will give you an illustration: A Mexican peon is proverbially improvident. He will not buy a week's supply, probably because he has not the money, so he buys it three times a day. His lard or sugar, he would buy his day's supply three times a day; and the result is that it is a little, picayune amount of business that an American could not bother with. If they tried to run a store, they would always run it at a great loss. If they had run a store, it would have been a financial loss to the company. That is something we learned in this country, but a good many Mexican mines in the early days obtained their only profit from the stores, and none from the mines.

Mr. KEARFUL. Are you personally connected with a mining company?

Mr. BAGGE. I am president of the Almoloya Mining Co.

Mr. KEARFUL. Where is that company operating?

Mr. BAGGE. In Chihuahua, between Jiminez and Parral.

Mr. KEARFUL. With what success have your operations been conducted?

Mr. BAGGE. A total loss of about $450,000 to date.

Mr. KEARFUL. What amount of money has been invested in that operation?

Mr. BAGGE. Altogether I have been instrumental in bringing in about $1,500,000 of American money into Mexico. We have taken out possible $250,000 in profits.

Mr. KEARFUL. Who contributed that money?

Mr. BAGGE. Most of it myself, and investors in smaller and larger sums.

Mr. KEARFUL. Who purchased the shares of stock in your company?

Mr. BAGGE. Yes. And I would say this, which is hardly understood here, that most of the mining operations of Mexico, and the people living there, are only employees or hired help. Those are the ones who have suffered; also the stockholders in these different companies. Like all American companies, capital is raised by a few men getting together a syndicate and arranging the preliminaries and then raising the money from a number of investors.

Mr. KEARFUL. When did you begin operations?

Mr. BAGGE. Our company, in 1902.

Mr. KEARFUL. When did your difficulties begin?

Mr. BAGGE. At the start of the Madero revolution, 1909, I think it was.

Mr. KEARFUL. Please describe what happened then with reference to contributions and depredations, etc.

Mr. BAGGE. Well, at that time I was president of a company known as the Compania Minera Rio de Plata, over on the western side of the State of Chihuahua, at the junction with the State of Sonora and Sinaola, 13 miles from the railroad. At that time we had about 300 mules packing in machinery and supplies and bringing out bullion and concentrates, and one of the best packers we had was a man named Orozco.

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Mr. KEARFUL. Pascual?

Mr. BAGGE. Pascual Orozco. I brought in six .30–.30 Winchesters for the use of the mine, because it is a pretty rich property, and in that property and all other properties in Mexico we paid full value for every dollar in sight in that mine, which was $350,000 gold. We put in a mill costing about $500,000 gold.

There is one thing about the exploitation claimed against Americans in taking out these millions from Mexico, and that is seldom considered, but it costs from 70 to 85 per cent of what you obtain to produce the silver bullion, and that money is applied to wages and supplies which go to Mexico, so, if you take out $1,000,000 in bullion, about $850,000 of that stays in Mexico. The price of producing an ounce of silver varies, of course, in some cases up to over 50 cents an ounce. It possibly is higher now because other things have gone up, though present silver is higher than it has been since 1873.

Mr. KEARFUL. But you are not able to take advantage of that under present conditions, are you?

Mr. BAGGE. Not at all We have quite a lot of ore too low grade for us to work at the time the revolution started, and which we could make money on to-day, but we can not get at it.

Mr. KEARFUL. Do you have any special concessions from the Mexican authorities which gave you advantages over the Mexicans in that locality in operating mines?

Mr. BAGGE. None at all. I could have gotten what they call concessions, which means practically licenses, but the duties and obligations that they bring with them are such that it is not worth while to bother with them.

Mr. KEARFUL. Please proceed to describe the troubles that you encountered at the beginning of the Madero revolution.

Mr. BAGGE. We had no particular difficulty with Orozco, because he was a friend of ours, and respected Americans, I think, considerably.

Villa at that time appeared, and he used to make his headquarters south of Allende.

Mr. KEARFUL. What year was that?

Mr. BAGGE. That was in 1910; but he was not very formidable at that time. That is, we never took him very seriously. Our real trouble started in 1913 and 1914, after the administration ordered us out of Mexico. That forced us to abandon the mine, and fungus grew up on the timbers and quickly rotted them, and we had much difficulty to operate, and we were robbed occasionally; that is, had to give something to the cause, gasoline or dynamite, or corn, beans, and clothes, and occasionally a little money.

Mr. KEARFUL. By whom were these exactions made?

Mr. BAGGE. Well; they were so many I can not remember offhand, but there were Urbina and Villa——

Mr. KEARFUL. Urbina was under Villa?

Mr. BAGGE. He was under Villa in Durango; Herrera, Hernandez——

Mr. KEARFUL. Who is he?

Mr. BAGGE. He is under Carranza.

Mr. KEARFUL. Who else?

Mr. BAGGE. De la Fuente.

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Mr. KEARFUL. Who was he?

Mr. BAGGE. He was not a bandit, but he was an engineer, really, that tried to become president of Mexico for a little time, but I think he was one of the adventurers of Madero against Huerta. He did not last very long. It was Herrera came up and took our superintendent, who was an American, and he took the two superintendents of the adjoining mines, both Mexicans, and very fine Mexicans at that, and he held all three of them for a ransom.

Mr. KEARFUL. Who did this?

Mr. BAGGE. Herrera, under Carranza, and he got a check for 5,000 pesos from one of the superintendents and they let him escape. The other Mexican could not give any check or promises. I think his company was too poor, so they took him down to a pumping station abut a mile and had our superintendent look on while they shot him. He was a very fine young fellow.

Then, they took our superintendent to the railroad station, and the train came along and they searched the train and found four Mexicans on there, made them get off the train and told them to run, and the whole bunch then shot at them, and thought it great sport. Then they took our superintendent eventually and marched him about 60 kilometers behind the mounted troops, only one man guarding him, eating their dust, and they had then impressed him as a soldier of the cause, and by promising to pay 750 pesos to Herrera's brother, who was operating at Parral at that time, and which we did eventually pay, he got back in a few days in bad physical condition, and we had no further trouble with Herrera.

Mr. KEARFUL. Your superintendent was an American citizen?

Mr. BAGGE. An American citizen; yes.

Mr. KEARFUL. Did you report this incident as to ransom and payment of 750 pesos to American authorities?

Mr. BAGGE. Oh, no.

Mr. KEARFUL. Why not?

Mr. BAGGE. What was the use? We got over that some time before.

Mr. KEARFUL. What was the reason for your attitude?

Mr. BAGGE. Because other people had tried that and found that they got no satisfaction. The general feeling among the Americans was that the best thing to do was to take their medicine.

Mr. KEARFUL. What was the feeling of the Mexicans toward Americans up to the time of the resignation of Huerta?

Mr. BAGGE. Well, previous to the Madero revolution, I distinctly remember there was quite some agitation in Mexcio which claimed "Mexico for Mexicans." That was backed by the middle class of Mexicans, the school teachers and the notaries and the middle-class people. They saw one mine after another that was a failure under the Mexicans become prosperous under the Americans, and I think it raised a little bit of jealousy, and at that time there was a lot of labor agitation in Mexico, and these agitators would go and try to form labor unions, not exactly as we have them here, but on that line. They also agitated at that time to eliminate the American railroadmen from operating the Mexican trains, and, of course, eventually the American railroad men were withdrawn as train conductors and engineers as soon as the Mexicans were capable of running them

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themselves. I think Madero was partly responsible for that agitation; at least, he never did suppress it, but there was no feeling against individual Americans. There was the very best kind of feeling.

Mr. KEARFUL. Up to what time?

Mr. BAGGE. Up to 1913 and 1914.

Mr. KEARFUL. Up to the time when the Americans were ordered out of Mexico by this Government?

Mr. BAGGE. At that time, when no reprisals were made for raping of American women and children, and we quit. Up to that time I think the Mexicans did respect us.

Mr. KEARFUL. You heard the testimony of Mr. Knox, of the attitude which took the form of denominating Americans as "white Chinamen"?

Mr. BAGGE. Oh, yes.

Mr. KEARFUL. Is that correct?

Mr. BAGGE. That is very common. You will hear Mexicans say, "What kind of people are you, anyhow? We have raped your women; we have spit on your flag, and insulted your Government, and killed your men, and still you will not fight."

That is a common thing in Mexico.

Mr. KEARFUL. What was the attitude of Villa towards Americans?

Mr. BAGGE. Villa was rather fair to Americans. I remember in 1915, after we had been ordered out, Villa got control of Chihuahua and we started to work. I spent quite some time there during that period under Villa. We had, so far as Americans were concerned, reasonable law and order. A number of murders occurred amongst the Mexicans, but not of the Americans. He put the railroads in fair condition, considering what they had been, and he started a number of industries; the smelter started up. and we were doing very well until Villa got into difficulty with his fiat money, and then his trouble started; and then Obregon defeated him, and infiltration of Carranza soldiers would occur, and it got too uncomfortable for us.

Mr. KEARFUL. You spoke of contributions levied by different parties. In what way would those contributions be exacted?

Mr. BAGGE. Well, they would come up and ask for five cases of gasoline for their automobiles, or five cases of dynamite, fuses, and caps, and they would give you a receipt for it and promise to pay at some future time. but when Carranza came in there, Obregon being the chief, they would take a carload of gasoline and you go to them and ask for receipts they would shrug their shoulders; you could get nothing out of them. Just simply came and took it and laughed at you; spit at you if you showed any spunk, but we could not show any spunk. They took our guns away from us; we were absolutely defenseless then.

Mr. KEARFUL. Did you appeal to your Government for protection?

Mr. BAGGE. No.

Mr. KEARFUL. At no time?

Mr. BAGGE. I did not, but lots of other people did, I know.

Mr. KEARFUL. The reason you did not was because you saw the result of their efforts?

Mr. BAGGE. I know that I was a member of a little defense society in El Paso amongst the mining men, and they sent a delegation up

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here to see the Government—the heads of the Government—and they reported they were insulted and called renegades and a few other choice things, and I thought, "What is the use"?

Mr. KEARFUL. What was the reason given by the authorities here for insulting them and calling them renegades?

Mr. BAGGE. Well, at that time they were saying that Americans that went beyond their own borders for profit expected greater interest on their money than what they would get in the United States, and they should take the risk. That was one of the reasons given. Of course, that was the attitude toward the beginning. Now, the stand is a little different.

Mr. KEARFUL. Do you think they have taken a different stand in regard to protecting Americans in Mexico?

Mr. BAGGE. Not at all in Mexico; but I think eventually we will have a policy on account of the greatly increased merchant marine, which will demand the protection of Americans all over the world—similar to England.

Mr. KEARFUL. Do you think it is possible for any country to extend its foreign trade without its citizens going into foreign countries?

Mr. BAGGE. That is impossible.

Mr. KEARFUL. Do you think it is possible for citizens of a country to go into foreign countries to extend operations without receiving protection from their own Government in case it is not given by the foreign Government?

Mr. BAGGE. An American might take a big risk in going into a foreign country, but he can not obtain the capital to expand his trade unless protection is given to him.

Mr. KEARFUL. Well, was it true that you and your associates, who, you say, sent a delegation to Washington, were engaged in making any fancy profits from large bonanzas in Mexico?

Mr. BAGGE. I know of no American mining men who found a bonanza in Mexico that he did not pay 100 per cent, value received. As a matter of fact, I feel that bonanzas found for the the picking up is a myth. The Mexican is a splendid prospector. Every foot of ground in the Sierras has been prospected and shows ore, and you can not beat him in operating on a small scale, for a small mine. The only place you can do it is where you have combined large capital; you can not get a Mexican to put in any amount of capital into a proposition that involves such a risk that an American would consider good business judgment.

Mr. KEARFUL. What has been the secret of Villa's power and success and ability to escape capture?

Mr. BAGGE. Well, there are two reasons for it. The first is that the peon believes in Villa. He is one of their own, and he has a good deal of their confidence. If not, of course, he would have been captured long ago. The other reason is, the Carranza generals would lose the best part of their profits if they captured many of the bandits.

Mr. KEARFUL. You think it is the policy of the Carranza generals to keep banditry alive in order to enrich themselves?

Mr. BAGGE. Oh, there is no argument on that at all.

Mr. KEARFUL. You think that is the fact?

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Mr. BAGGE. That is undoubtedly the fact. That you can see very easily. You can see Federal troops within three miles of so-called bandits, and they go and sit down and take lunch, and the bandits are not attacked.

Mr. KEARFUL. Where does Villa get his munitions of war?

Mr. BAGGE. The information that I have on that subject is, of course, from people who have been down there lately, and they say he gets most of the ammunition from the Carranza troops, or from the women. That is, the women camp followers.

Mr. KEARFUL. Women camp followers of the Carranza troops?

Mr. BAGGE. Of the Carranza troops; yes. That is the usual practice among Mexicans, to sell ammunition to them.

Mr. KEARFUL. How do the actions of the Carranza troops compare with those of the so-called bandits headed by Villa and others?

Mr. BAGGE. Well, many citizens say that the Carranza troops were more ruthless than Villa's. The only time that they were really vicious was at the time Orozco and Villa fought. Then Villa would kill every prisoner of the red flag under Orozco. They do that, I believe, to a less extent at present. I think Villa, while he shoots a good many prisoners, he accepts a good many of the Federals, because most of the Federals are not free volunteers to the Carranza forces.

Mr. KEARFUL. What about the acts of the various factions in reference to prominent women of the towns they capture?

Mr. BAGGE. Well, I was in Jimenez after one of those raids, and the usual practice is to take the wife and daughters of any of the prominent men they could get and turn them over to quarters where the houses of prostitution are located and let the soldiers in there.

Mr. KEARFUL. Is that the practice followed by the Carranza forces?

Mr. BAGGE. Why, I think that is the general practice of both forces. I was at the mine one day when an old blind woman was brought to me, and she said, "For the love of the Mother of God, give me some help." I asked her what was the matter, and she said her daughter had been looking after her, but "the revolution had taken her." That is the way she expressed it, and that they had taken everything she had, even her underclothes. This old woman lived in a hole in a side of an arroyo, where a cave had been dug out and an old sack served as a door, and that was rather typical of the heartlessness of Carranza troops, I think. You see girls 10 years old and you will swear they are 30 years old, from their faces.

Mr. KEARFUL. Were you in Mexico at the time of the Pershing expedition?

Mr. BAGGE. No; I was in Arizona at that time. I was on the railroad, I think, a few hours away from Columbus, at the time.

Mr. KEARFUL. Did you ever have any conversation with any officers of the Pershing expedition in reference to their getting Villa?

Mr. BAGGE. Yes; I talked with a captain, had a long conversation with him. I told him I could not understand how he could get so many Mexicans into Columbus without being noticed, and he told me that that was rather simple, that the orders from Washington were that if a Mexican soldier would leave his arms on the other side of the fence—you see the United States and Mexico are divided by a

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hog-proof wire fence all along the line—and if they would leave their arms on the other side of the fence they could come in, while our troops, if they went over to the Mexican side, merely for a visit, unarmed, they would be arrested on the Mexican side and court-martialed on our side, so there were no doubt a great many Villa bandits within the town of Columbus before the attack, and he told me that he started with 35 men within an hour after they had repulsed the attack, but he had started without orders, and realized he had to return, but within a day or two they went down en masse, down to Satevo, I think it was he told me, and they could have gotten Villa within three of four hours' ride without any trouble if they had been permitted to go ahead. I understood that Pershing was notified by Gen. Trevino that if he advanced south, east, or west he would be attacked and Pershing said that if he decided to go east, south, or west, he would go, but he did not.

Mr. KEARFUL. He also said if he were attacked he would use his whole forces?

Mr. BAGGE. Whole forces, yes.

Mr. KEARFUL. He was attacked, was he not?

Mr. BAGGE. Yes, sir.

Mr. KEARFUL. And did not use his forces?

Mr. BAGGE. And did not use his forces.

Mr. KEARFUL. What was the situation at Parral?

Mr. BAGGE. Our troops had arrived as far down as Dorado, or Boca station—that is about 250 miles from our border—when they ran into a bunch of Mexicans which they thought were Villistas, but it seems they were Carrancistas, and they killed and wounded a few, and these troops then went into Parral; I think most of our troops came in there on a visit, buying fruit, and some of the men were run out. The men were attacked, one or two killed, and they got an order to retreat. I believe they ran about 80 miles—not because of fear, but that was the orders.

Mr. KEARFUL. Well, was not Villa then in the vicinity of Parral, wounded and unable to travel?

Mr. BAGGE. I think Villa was at a place called Allende. That is a few miles from Parral.

Mr. KEARFUL. And was it not the opinion of the officers of the Pershing expedition that if they had been permitted to proceed they could have gotten Villa there?

Mr. BAGGE. Oh, yes; they could have gotten Villa in two ways. They could have gotten him if they were permitted to go ahead, as they were anxious to do, or if they had been permitted to go down on the Mexican Central Railroad. They had all of the trains and equipment ready, and going on the railroad they could have cut across the country and headed him off without any trouble.

Mr. KEARFUL. What do you find to be the sentiment of the Mexican people, that is, the laboring classes, as to what ought to be done to remedy the conditions?

Mr. BAGGE. The laboring classes?

Mr. KEARFUL. Yes.

Mr. BAGGE. Oh, I do not think they have any opinion. All they want is to be left alone and given a chance to earn their living.

Mr. KEARFUL. Do they constitute a large percentage of the Mexican population?

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Mr. BAGGE. Oh, 90 per cent, I should say.

Mr. KEARFUL. What do they hope for, if anything?

Mr. BAGGE. I think they have no hope. I think the Mexican peon is absolutely without hope.

Mr. KEARFUL. What have you found the opinion of the intelligent Mexicans in regard to what ought to be done to remedy the conditions?

Mr. BAGGE. Well, the fine type of Mexican that we used to know in the olden days, and who is now a refugee, is appreciative of what America has done for Mexico. He is also friendly disposed to America. He has no illusions about the difficulty of bringing the peon to a plane that he thinks he wants to reach, and those better kind of Mexicans are discouraged with the outlook.

Mr. KEARFUL. You say that class of Mexicans are now living outside of Mexico?

Mr. BAGGE. Very few of the high-type Mexicans live in Mexico to-day.

Mr. KEARFUL. What is the reason they are outside of Mexico?

Mr. BAGGE. Persecution from every side.

Mr. KEARFUL. Is that the class of Mexicans which, in your opinion, it is necessary to rely upon to reestablish good government in Mexico?

Mr. BAGGE. He is the only one that can do it, if he can do it.

Mr. KEARFUL. Do you think they can do it without assistance from the outside, they themselves being on the outside?

Mr. BAGGE. I doubt it. I can not conceive how they could do it without help.

Mr. KEARFUL. Have you talked with any of them about their hopes in that respect?

Mr. BAGGE. Yes.

Mr. KEARFUL. What did they say?

Mr. BAGGE. As a rule, the better type of Mexican does not wish to put himself on record as wishing this country to do anything. They have a peculiar notion and they can not agree amongst themselves. They would take a man and then get him help in some matter, either money or munitions and freedom of import duty, and they think they could rally around the man, but when you analyze their talk you find that eight of that type of Mexicans going to pick a leader, they will pick eight leaders. A South American told me sometime ago that "We Latin-Americans are so different from you, in that you are willing to pick a leader and back him after election, while we all want to be major-domos." I thing that expresses the situation in reference to the difficulty of the Mexicans to stand for a principle and not for a man.

Mr. KEARFUL. You think their politics is personal rather than on principle?

Mr. BAGGE. Oh, yes; entirely so; and the peon will fight for his jefe, or captain, but he does not know what he is fighting for; he can not tell you; nor can any man tell you why they have had this revolution. At least, I have never been able to find one.

Mr. KEARFUL. Generally the leader in a revolution starts with a manifesto, in which he promises the peons that they will have restored to them the land that has been taken away from them.

Mr. BAGGE. Oh, yes.

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Mr. KEARFUL. That is always the case, is it not?

Mr. BAGGE. Always the case; wonderful when it comes to manifestos; beautiful language. Carranza had a very clever scheme. He promised the Mexicans, of course, not only the land, but he was going to do a lot for the miners. He did a lot to them but not much for them. One of his schemes was—and I suppose it is still the law, for all I know— was that if a man was discharged for incapacity because he got drunk or anything else, you had to pay him three months' wages. Another thing was if a man got the stomach ache, or claimed he had one, and reported sick, you had to support his family. His family, of course, usually was composed of one or two women and a number of children, and all the relatives, and a few hundred dogs.

That is only one or two of the difficulties that my managers had to contend with under Carranza. There were so many other restrictions that unless you wanted to break the law every day and subject yourself to different kinds of fines, which you could overcome by paying blackmail, it was difficult to operate.

Mr. KEARFUL. What do you think of the favorite promise of dividing up the land amongst the peons? Is that practicable?

Mr. BAGGE. Well, I found that wherever there is any land that is suitable for irrigation in Chihuahua you find a great many small landowners there. Gov. Terrazas has, of course, a tremendously big ranch; I think they claim many millions of acres, but outside of the grazing land, I do not see much possibilities of that land being suitable for cultivation without irrigation. I know down at Conchos, at the Conchos River, there is a large Canadian and English irrigation project, a wonderful one, which covers some 200,000 acres, and that land is poor, desert-like, and unless there is invested a large amount of capital, which those projects require, and which they have not got, that land is unfit for any other purpose but possibly poor grazing, say one cow to 50 or 60 acres.

Mr. KEARFUL. Would it be impossible for a peon to support himself upon a small tract of that land by agriculture?

Mr. BAGGE. I do not know if any peon really does support himself from the land. He usually works a few months cultivating the tract of land he has, and then works in the mines or on the railroads, or some other place during the balance of the season. It is only the planting season and the harvesting season that he really sticks to his land.

Mr. KEARFUL. You think that those fair sounding promises that are made in the revolution manifestos are honest, as a rule?

Mr. BAGGE. No; I do not. There is one thing about this Mexican land question that I had occasion to test. During Villa's time we had quite a little trouble getting corn and beans to our men on account of the low value of his money, and before the rainy season started, which starts, I think, in June, San Juan Day, the 26th of June it usually starts in officially, we got a bunch of these fellows together and said, "Here, we will fix it up with the men that own the land down here, owning many thousands of acres of land, that you can use this land out here and we will supply you with food and half pay if you will cultivate that land in corn and beans and be ready for the rainy season, and then we will pay you full price for the corn and beans, so we can sell it to you fellows while working here at the mine."

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Of course it would cost us quite a little money to do it, but they started breaking the land, which is very easily broken, but before a month they all wanted to quit; they all wanted to go back to work at the mine, because they said the miner, he is getting more money than we do. They were not so land hungry that they would try that experiment.

Mr. KEARFUL. What is your opinion about what ought to be done to remedy the conditions in Mexico?

Mr. BAGGE. That is the last question, I suppose.

Mr. KEARFUL. That is the question that troubles us.

Mr. BAGGE. Well, fundamentally, that is a question that our administration should have answered. That is what they have been hired to do. I can see no solution to the Mexican situation without active assistance from our people.

Mr. KEARFUL. What form should that assistance take, in your opinion?

Mr. BAGGE. Two plans. One is withdraw recognition from Carranza, blockade the ports, possibly take the shipping ports, and thereby drive Carranza and his gang of thieves from Mexico, and then back the decent Mexicans with ammunition and funds and exact from them certain binding agreements which our State Department ought to be able to formulate, and the other is to take charge of it alone, go in there, and establish a constabulary, the same as we did in the Philippines and Cuba, and let the Mexicans run the country, the same as we are taking charge of the Philippines or backing Cuba. That is the only solution I can see. Either one is a painful one, but we have to face it.

Mr. KEARFUL. Which one do you prefer?

Mr. BAGGE. Well, naturally, I prefer the first one, because the second one would mean both of my boys would go in that, as they did in the late war.

Mr. KEARFUL. You believe the first thing would be for this Government to withdraw recognition from Carranza?

Mr. BAGGE. That is the first thing, under any condition.

Mr. KEARFUL. And support with arms and finances the decent class of Mexicans who are now exiled from the country?

Mr. BAGGE. Yes, sir; and those decent Mexicans which we know are friendly to America living in Mexico.

Mr. KEARFUL. How do you think that project would be received generally in Mexico, outside of those who are now making money out of the government operation there?

Mr. BAGGE. I think favorably. The peon would certainly welcome it. I think, within a very short time, we would have a very efficient organization of Mexican troops who could put down the banditry, if they were backed by American officers, put in charge of American officers.

Mr. KEARFUL. I believe that is all I wanted to ask. Is there any further statement you would like to make?

Mr. BAGGE. No, sir; I can not think of anything right now.

Mr. KEARFUL. Well, you may be excused; we are very much obliged to you.

We will take a recess at this time until 2 o'clock.

(Whereupon, at 1 o'clock p. m. a recess was taken until 2 o'clock p. m.)

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AFTER RECESS.

The hearing was resumed at the expiration of the recess.

TESTIMONY OF MR. VICENTE SANCHEZ GAVITO.

(The witness was duly sworn.)

Mr. BENNETT. As attorney for Mr. Gavito, I wish to state that Mr. Gavito is a citizen of the Republic of Mexico. When he received your subpœna he came to me and asked if a citizen of Mexico could be compelled to come here under that process, stating he had no desire to appear. I, of course, advised him that he had to obey your subpœna, and I wish it distinctly understood that he is here pursuant to a due and lawful subpœna which requires his presence before this committee.

Mr. KEARFUL. In response to the statement made by Mr. Bennett, I wish to say that the committee fully appreciates the delicate position that a Mexican citizen is placed in by being called on to testify, but at the same time, it is believed that the opinions of the class of Mexican citizens who are called here are of great benefit to the committee in the recommendations which it will have to make, and believes that however embarrassing it may be to such witnesses, that it is really a great opportunity for them to perform a patriotic service for their own country, and as the law of this country does not exempt the attendance of witnesses on committees of Congress because of alien citizenship, the testimony will proceed.

Will you please state your full name?

Mr. GAVITO. Vicente Sanchez Gavito.

Mr. KEARFUL. What is your citizenship?

Mr. GAVITO. Mexican citizen.

Mr. KEARFUL. Where do you live at the present time?

Mr. GAVITO. 1807 Broadway, New York.

Mr. KEARFUL. What is your business?

Mr. GAVITO. I am in the export and import business. I am president of a company and counsel for some Mexican matters.

Mr. KEARFUL. What was your profession in Mexico?

Mr. GAVITO. A doctor and lawyer.

Mr. KEARFUL. Did you practice both of those professions?

Mr. GAVITO. No; lately I only practiced law.

Mr. KEARFUL. What official positions have you held in the Mexican Government?

Mr. GAVITO. I only was elected to the Senate in 1912, and I stayed in the Senate until October 15, when it broke up.

Mr. KEARFUL. It was dissolved?

Mr. GAVITO. The Congress was dissolved.

Mr. KEARFUL. When did you leave Mexico?

Mr. GAVITO. I left Mexico City August 4, 1914.

Mr. KEARFUL. That was about the time of the entry of Carranza into Mexico City?

Mr. GAVITO. A little before.

Mr. KEARFUL. From Mexico City to what border point did you go?

Mr. GAVITO. I went to Vera Cruz.

Mr. KEARFUL. Vera Cruz was then in the hands of the American forces?

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Mr. GAVITO. Yes, sir.

Mr. KEARFUL. Under whose command?

Mr. GAVITO. Under the command of Gen. Funston?

Mr. KEARFUL. How were you received by Gen. Funston?

Mr. GAVITO. I never met him.

Mr. KEARFUL. Did your party have anything to do with the American forces there in reference to accommodations, or leaving the country?

Mr. GAVITO. Not except we were advised to leave the country, because the American troops were going to be in control.

Mr. KEARFUL. What information did you receive as to the attitude of Gen. Funston with respect to Mexican refugees coming through Vera Cruz?

Mr. GAVITO. It was a very fair one.

Mr. KEARFUL. What action did he take in their favor?

Mr. GAVITO. I think, according to the rumors among the Mexican refugees in Vera Cruz, he had been ordered to withdraw the American forces in three or four days. He did not obey the orders, because he wanted to let the Mexican families have a chance to get a boat. By that time almost all of the steamers which rendered usual service between Mexican and American ports had stopped because the war had broke out, and it was a very difficult thing to get any accommodations.

Mr. KEARFUL. You understood that Gen. Funston took that action for the protection of Mexican refugees who wanted to leave the country, without orders from his Government, and, in fact, contrary to the orders he had received?

Mr. GAVITO. I really thought that it was contrary to the orders given to him, but I can not be very emphatic in this matter, because, of course, I do not know. I think he was actuated by high humanitarian purposes, because our families would have been handed over to the mercies of the revolutionary group.

Mr. KEARFUL. What was the reason for the families of certain Mexicans leaving Mexico at that time?

Mr. GAVITO. There were two reasons. Some Mexicans had all kinds of reason to think that the revolutionary group would exercise some revenge or reprisals on them, and another group, to which I belonged, left the City of Mexico only not to be present at the looting and disorders that we feared would follow.

Mr. KEARFUL. Are you acquainted with Manuel Calero?

Mr. GAVITO. Yes, sir.

Mr. KEARFUL. Where is he living now.

Mr. GAVITO. In New York.

Mr. KEARFUL. What official positions did he hold in the Mexican Government?

Mr. GAVITO. I think, during the whole of Gen. Huerta's régime, he had the office of under secretary of fomento. Afterwards he was elected as representative in the house. Then, under the Madero régime, he was secretary of justice and, I think, secretary of fomento.

Mr. KEARFUL. Of foreign relations?

Mr. GAVITO. Of foreign relations, and afterwards ambassador from Mexico to the United States, and afterwards he went to the senate at the same time I was there.

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Mr. KEARFUL. Are you familiar with the book written by Mr. Calero, about September, 1916, entitled "The Mexican Policy of President Wilson as it Appears to the Mexican"?

Mr. GAVITO. I read it about that time, but I do not remember it very well.

Mr. KEARFUL. On page 26 of Mr. Calero's book is this statement:

The revolutionists signalized themselves by the most cruel manifestations of savagery, by a ferocity without limits. It is true that Huerta is as responsible as Carranza for the inhuman act of sacrificing prisoners of war, whom both contending parties put to death without mercy; but the forces of Carranza committed other excesses, such as the sacking of towns, attacks against the honor of women, profanation of temples, the assassination of pacific inhabitants, the expulsion en masse of foreigners, and destruction by fire and dynamite.

Do you recognize that as a true picture of the operations of the revolutionists under Carranza?

Mr. GAVITO. Yes; I think it was common talk; it was known by everybody. However, I have not first-hand information, because I never stayed in any city during the time it was occupied by the revolutionists.

Mr. KEARFUL. On page 31 of his book Mr. Calero gives an account of the surrender of Mexico City to Carranza by temporary President Carbajal. According to Mr. Calero, Carranza demanded unconditional surrender of the city. Carbajal, who had been called to occupy the presidency because of his position on the Supreme Court, and knowing the excesses that had been committed at other places, such as San Luis Potosi, asked, as a condition of surrender, that the lives and property of the people be protected, but Carranza refused to admit any condition, and in that position, Carranza having been supported by the American Government, Carbajal was forced to acquiesce, and the city was unconditionally surrendered.

Do you remember whether that was a true statement of the conditions? Were you there at the time?

Mr. GAVITO. No; I was not; because, as I said before, I left the town on the 4th of August, and the revolutionists went into Mexico City the 14th or 15th, but the news that we got in Vera Cruz in regard to all these facts substantiate what Mr. Calero says.

Mr. KEARFUL. Mr. Calero then goes on to state, on page 31, as follows:

What happened then is something that the American Government has not dared to publish. The few honorable constitutionalists shudder to recall it. The Department of State has in its archives the official information of the outrages committed by the so-called constitutionalists in the great capital of Mexico. Never had the city suffered such indignities, not even in the blackest days of our revolutionary life. Even the diplomatic representatives of the foreign governments were robbed by Carranza "generals" and by the mob of ravenous politicians that followed Carranza; even the Brazilian minister, official representative of the United States, was robbed.

And again on page 78, speaking on the same subject, Mr. Calero says:

The revolutionists entered a place, and the inhabitants, terrorized, shut themselves up in their houses, concealed their wives and their daughters to save them from the lust of those ferocious beasts, and concealed their properties to save them from pillage.

Do you recognize those statements as being true, to the best of your information at that time?

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Mr. GAVITO. Yes. I would have to give the same answer I gave to the former questions. I have not first-hand information, but I think it is true.

Mr. KEARFUL. What became of the house in which you and your father were living at the time the Carranza forces entered Mexico City in August, 1914?

Mr. GAVITO. It was twice occupied, once by the Zapatistas, and then for the Carrancistas, and the general who went into our dwelling and occupied it against our will was Bonillas.

Mr. KEARFUL. Ignacio Bonillas? The man who is now Mexican ambassador to this country?

Mr. GAVITO. Exactly.

Mr. KEARFUL. Do you know, from information you have received, about what happened to the contents of the houses that were occupied?

Mr. GAVITO. The houses that they occupied?

Mr. KEARFUL. Yes.

Mr. GAVITO. I think the majority were stolen by them, and another part was destroyed, and some personal belongings were left in the houses.

Mr. KEARFUL. Well, shortly stated, they were looted, were they not?

Mr. GAVITO. Yes. I ought to say that our house was not looted, except valuable books in our library, and small things.

Mr. KEARFUL. Some personal belongings?

Mr. GAVITO. Yes.

Mr. KEARFUL. Do you know Francisco Bulnes?

Mr. GAVITO. Yes, sir.

Mr. KEARFUL. Was he a prominent man in Mexico?

Mr. GAVITO. Yes, sir a very prominent man; was one of our best men, and a very learned writer.

Mr. KEARFUL. He is recognized as quite an illustrious historian. is he not?

Mr. GAVITO. Yes; although it is generally admitted that he is a one-sided man. In other words, he is to passionate in his judgments.

Mr. KEARFUL. He makes a statement in a book which he published entitled, "The whole truth about Mexico," on page 295, about the acts of the so-called constitutionalists, and says, speaking about the agrarian problem, as follows:

> And the land holdings, the great land holdings, what of them? The greatest among them passed into the hands of the constitutionalist chiefs, to be enjoyed with the rights of absolute ownership. What had constituted the great offense against the poor had become the great plum of the conquest. All the personal property of the wealthy was appropriated by the constitutionalists. Handsome residences, automobiles, jewelry, furniture, money, clothes, everything possessed by the aristocrats, and even those who were not aristocrats, was taken by the revolutionists.

Do you think that is too passionate a statement?

Mr. GAVITO. No; it is perfectly correct. But I should say that was done not only by the Carrancistas, but also by the other revolutionists, the Zapataistas and the Villistas.

Mr. KEARFUL. You are aware of the fact that since the beginning of the late revolutionary troubles in Mexico the American Govern-

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ment has not afforded any protection whatever to American citizens or their property in Mexico? You are aware of that fact?

Mr. GAVITO. Yes, sir.

Mr. KEARFUL. You have also heard, I suppose, as a justification for that policy, that the Americans who had been and were operating in Mexico were a class of speculators engaged in exploiting the Mexican people under special concessions that had been granted to them by the government officials? You have heard that also, have you not?

Mr. GAVITO. Yes, sir; I have seen that in the press.

Mr. KEARFUL. What can you say about the truth of that statement, that the Americans operating in Mexico were a class of speculators and exploiters?

Mr. GAVITO. Of course, I believe that when they went to Mexico they were actuated by the purpose of getting benefits.

Mr. KEARFUL. Naturally.

Mr. GAVITO. They did not go for utilitarian purposes, but I think it would not be fair to say they have been exploiting the country. They have invested money——

Mr. KEARFUL. First, as to the character of Americans operating in Mexico, you came in contact with them a good deal, did you not?

Mr. GAVITO. Yes, sir.

Mr. KEARFUL. What sort of people did you find them to be?

Mr. GAVITO. Very good people; they deal with the peons very fairly. They respected the laws of our country, and they were highly esteemed by us.

Mr. KEARFUL. Did they comply with the laws generally?

Mr. GAVITO. Yes; law-abiding always.

Mr. KEARFUL. Were they professional and business men, such as mining engineers?

Mr. GAVITO. Yes; lots of them; and lawyers and bankers.

Mr. KEARFUL. And doctors?

Mr. GAVITO. Doctors, yes; and all of them of fine character, and afterwards they have associated with the Mexicans in the progress of the country.

Mr. KEARFUL. Do you believe the operations of American capitalists under American professional men and business men in Mexico has been for the benefit or detriment of Mexico?

Mr. GAVITO. I should say for the benefit. We have only one exception. The oil interests, because I really have no knowledge about them. I could not state anything because I do not know what is the oil situation.

Mr. KEARFUL. But aside from the oil situation?

Mr. GAVITO. Yes.

Mr. KEARFUL. What form did the benefits take that you observed as flowing from these enterprises?

Mr. GAVITO. Because they imported capital; they raised the standard of living of laborers and they opened new fields for the development of the country.

Mr. KEARFUL. What is the truth about this bugaboo of enormously rich concessions that are said to have been acquired by means of bribery of government officials?

Mr. GAVITO. Oh, it is absolutely untrue.

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Mr. KEARFUL. What can you say about the operation of those concessions?

Mr. GAVITO. As a matter of fact, almost all of the concessions of the old régime were given to Mexicans, and they afterwards sold or transferred their rights to British or to American capitalists, and my own experience as a lawyer is that in a majority of those cases the first or second company that tried to operate on those concessions failed. They made big investments and they did not get their money back, only after many years. The development was successful, of course, through big investment and big effort.

Mr. KEARFUL. And even then, were there rich profits?

Mr. GAVITO. No; not so much as people seemed to think.

Mr. KEARFUL. What form did these concessions take? What were they?

Mr. GAVITO. Some times they were for the development of national lands. The Government gave the lands under some conditions, the price to be paid in installments with Mexican bonds and cash, and some colonization to be established. In the majority of the cases the difficulties were so hard that the grantees could not comply, and, of course, the Government, many times would have to grant more time, and delays to get more facilities in order to facilitate the accomplishment.

Mr. KEARFUL. What favors were granted?

Mr. GAVITO. To the concessionaire.

Mr. KEARFUL. To the concessionaire?

Mr. GAVITO. Just to import machinery and tools free of taxes; some times to exempt from taxes the properties during 10 years, or something like that.

Mr. KEARFUL. And then the concessionaire would be compelled to deposit Government bonds?

Mr. GAVITO. Always.

Mr. KEARFUL. As security for the performance of the conditions?

Mr. GAVITO. Exactly.

Mr. KEARFUL. In case of failure to perform, unless an extension of time were granted——

Mr. GAVITO. They would be forfeited.

Mr. KEARFUL. The security would be forfeited?

Mr. GAVITO. Yes.

Mr. KEARFUL. And those concessions, according to your observations, were not very profitable to begin with?

Mr. GAVITO. No. Of course, when the country became prosperous and the business took a better turn, the concessionaire's profit increased.

Mr. KEARFUL. Mr. Calero, in his book, on page 83, makes the following statement in regard to concessions:

To develop her great resources, Mexico, a country without capital, needed to resort to foreign capital, and the Government of General Diaz had to employ certain stimuli to induce capitalists to invest their money in a country which, on account of its turbulent past, inspired little confidence. Therefore, the following system was adopted: Any one who would oblige himself to invest a certain amount of capital in an enterprise was exempted for a certain number of years from certain kinds of taxes, and was permitted for a limited time to import free of customs duties the machinery and tools which he needed for his industry. This contractor—the concessionaire as he was called—signed a contract that imposed upon him the obligation of expending in his enterprise a stated

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amount, and guaranteed his obligation by a deposit of Government bonds. In exchange for this, in consideration of the advantages which his industry afforded to the country, the Government concedde the exemptions above pointed out. On the other hand, if the concessionaire defaulted in complying with the obligations which the contract imposed upon him, he lost the deposit of guaranty and the exemptions that were granted him thereby ceased.

Is that a fair statement of the matter?

Mr. GAVITO. I think so. It coincides with my answer to the former questions.

Mr. KEARFUL. You are acquainted personally with a large number of Mexicans living outside of Mexico at the present time, are you?

Mr. GAVITO. Yes, sir.

Mr. KEARFUL. Some of them are living in New York?

Mr. GAVITO. Yes, sir.

Mr. KEARFUL. And other parts of the United States?

Mr. GAVITO. Yes, sir.

Mr. KEARFUL. Why is it that these gentlemen and their families find it necessary to live outside of their own country?

Mr. GAVITO. Some of them because they fear the persecutions, and others because they prefer to live here and to educate their children out of this atmosphere of rivalry and hatred in Mexico.

Mr. KEARFUL. They are not able to live as well or as comfortably, or follow their professions as profitably here as in Mexico?

Mr. GAVITO. Oh, no; we have all kinds of hardships here.

Mr. KEARFUL. Yet they prefer those hardships to the prospect of returning to their native country?

Mr. GAVITO. Yes. At least, that is my own feeling.

Mr. KEARFUL. Do you have any idea of the number of such Mexicans who are living exiled from Mexico?

Mr. GAVITO. No; I could not give any figure, but I should say 80 per cent of the well educated class.

Mr. KEARFUL. Is it not your firm belief that these whom you say constitute 80 per cent of the well educated class are needed in their own country to establish and maintain a government of laws?

Mr. GAVITO. I think so. Of course, as a matter of truth, the Government has always been in the hands of the educated people.

Mr. KEARFUL. Naturally you have talked with them about the prospect of returning to Mexico?

Mr. GAVITO. Yes, sir.

Mr. KEARFUL. What is the prospect, as they view it, of returning to Mexico and participating in the Governmental affairs of that country?

Mr. GAVITO. Most of them do not contemplate returning, because they think that the conditions are practically the same as they were when they left the country.

Mr. KEARFUL. What is their hope for returning at some future time?

Mr. GAVITO. Well, I could not say anything in regard to even the majority of them, because they differ very much in opinions, and most of them are discouraged; have no hopes.

Mr. KEARFUL. They have no definite hope?

Mr. GAVITO. No.

Mr. KEARFUL. What is your own hope?

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Mr. GAVITO. I always hope in the strength of my country and justice sooner or later, but besides this general opinion, I have no opinion on it.

Mr. KEARFUL. The strength of a country rests with its intelligent class, does it not?

Mr. GAVITO. Yes.

Mr. KEARFUL. That class is very largely outside of the country?

Mr. GAVITO. Yes, sir.

Mr. KEARFUL. Then, it follows absolutely that the establishment of a government of laws in Mexico must come from the outside, is not that so?

Mr. GAVITO. I should like to be excused from answering this question, because that should place me in a position of saying that we are indispensable, and I do not feel that any group is indispensable.

Mr. KEARFUL. You do not think that the intelligent class of the country is indispensable to good government?

Mr. GAVITO. Yes; but at the same time it is possible that the intelligent people in Mexico, the minority who have to stay down there, can help the establishment of some better order.

Mr. KEARFUL. Do you refer to such intelligent persons as Luis Cabrera and others of his kind? He is an intelligent man, is he not?

Mr. GAVITO. I think so.

Mr. KEARFUL. And there are quite a number like him, are there not, connected with the Carranza Government?

Mr. GAVITO. Yes; but they are obessed with the idea of the revolution, only working in his way.

Mr. KEARFUL. Do you think the intelligent class represented by such men as Mr. Cabrera is likely to bring to Mexico a government of laws?

Mr. GAVITO. No; because we see the experience of the past years.

Mr. KEARFUL. What other intelligent class in Mexico can be depended upon?

Mr. GAVITO. A few of the expatriated going back, because the people will not stand for the sufferings and the difficulties of living abroad.

Mr. KEARFUL. Those who have gone back necessarily have done so under condition that they will support the group to which Luis Cabrera belongs?

Mr. GAVITO. Yes.

Mr. KEARFUL. And they necessarily have to align themselves with the present régime in order to return and do business there?

Mr. GAVITO. Not exactly, because they can keep themselves in the shadow, from becoming prominent, or leading very modest lives.

Mr. KEARFUL. If they take any part in public affairs, they must ally themselves with the ruling régime?

Mr. GAVITO. Of course, they would not be tolerated otherwise.

Mr. KEARFUL. Then, what could they accomplish? If they simply keep themselves in the shadow, as you say?

Mr. GAVITO. Really nothing of great importance.

Mr. KEARFUL. Then, is it not true that the only hope for a real government of laws in Mexico must come from the outside?

Mr. GAVITO. If you mean from the Mexicans that are expatriated, I should say yes.

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Mr. KEARFUL. I do mean the Mexicans that are expatriated, but I want to ask you how they can accomplish anything from the outside.

Mr. GAVITO. I think that the Mexicans are able to work out their own destinies, and find the solution if they are left alone.

Mr. KEARFUL. Well, now, just what do you mean by the statement if they are left alone?

Mr. GAVITO. We do not need any foreign intervention. That is what I mean.

Mr. KEARFUL. In what way do you expect they will be able to do that?

Mr. GAVITO. I can not outline any definite scheme, but as I think the present situation has been brought about by the policy of the United States toward Mexico, naturally I am led to believe that when this policy is stopped, the feeling of security will come after a while.

Mr. KEARFUL. Well, what do you think the American Government ought to do to make right the wrong that it has done toward Mexico?

Mr. GAVITO. Of course, I could not answer this question, because it would be necessary for me to know what were the motives and reasons for this wrong policy.

Mr. KEARFUL. The reasons and motives have been stated at various times in addresses and in publications by the President of the United States and it appears that he thought it was incumbent upon him to eliminate Huerta because he had reached power through force, and upon eliminating Heurta, he thought it was incumbent upon him to impose Carranza upon the Mexican people because he thought Carranza stood for law and justice and constitutional principles. Evidently you think he made a very serious mistake.

Mr. GAVITO. Oh, yes; I think so. I should never have expected Huerta considering his arts to reach power to hold power.

Mr. KEARFUL. Notwithstanding that sentiment on your part, do you agree that it was the function of President Wilson to take it upon himself to eliminate Huerta from the Mexican Government?

Mr. GAVITO. I think, first of all, that President Wilson has no knowledge of the Mexican problems; he does not know anything about Mexico, and therefore any intervention on his part had to be what it has been, a failure.

Mr. KEARFUL. The purpose of this committee is to find out the truth, so that any action that may be taken hereafter may be intelligent action, based upon the actual facts. Assuming it to be true that Carranza and his revolution did not represent the liberty of the people and law and constitutional principles, but represented what Mr. Calero and Mr. Bulnes denominate it—that is, looting and graft and personal advancement of revolutionary generals and violation of women and desecration of churches, etc., what, then, do you think the American Government ought to do to make right the wrong it has done?

Mr. GAVITO. At present?

Mr. KEARFUL. At present.

Mr. GAVITO. Of course, as you will appreciate, I can not take the American point of view. I have to take the Mexican point of view.

Mr. KEARFUL. Certainly; that is what we want.

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Mr. GAVITO. And it is a very difficult matter to correct the mistake, particularly when four or five years have elapsed with his régime in power. But I insist that the policy of nonintervention—hands off—as you call it, should be more than enough to bring the Mexican problem to a good solution, if not pretty soon, in a little while.

Mr. KEARFUL. It is in evidence before the committee, and undoubtedly true, that Mexico has a bonded debt of over one billion pesos, upon which no interest or other charges have been paid since the abdication of Huerta in 1914; that the Carranza Government has taken over and operated the railroads of Mexico, collected all of the revenues, allowed the roads to deteriorate and the rolling stock to become worthless, and has paid not a dollar of interest on the federal bonds or to the railroad creditors; that the various banks of issue of Mexico have been taken over by the Carranza Government, and the entire amount of their metallic reserve, to the extent of over 50,000,000 pesos in gold and silver has been appropriated, and the assets of those banks are being collected and the collections appropriated, and not one dollar has been paid to note holders, depositor, or stockholders of those banks; that the taxes upon petroleum have been raised to substantially 50 per cent of its value; that large contributions have been levied upon mines and other industries to the fullest extent that they can bear, and that the present Government is not able to collect enough money from those sources to pay its current expenses, after satisfying the cupidity of the generals, and has been compelled to pay school-teachers, after having closed a number of schools, only portions of their salaries.

That is a state of affairs that I ask you whether you think can long continue without something being done from the outside?

Mr. GAVITO. I should like to be excused from replying to that. That involves many international questions that perhaps would be to my country so difficult, I would not like to discuss it.

Mr. KEARFUL. I ask you that question because you say with a policy of absolute nonintervention the Mexicans in time can work out their own salvation, and I ask you the question because it must occur to you that a crisis is imminent; the foreign countries whose nationals have suffered from these operations are not likely to remain quiescent and await the convenient time for the intelligent class who are now expatriated and exiled from Mexico to work out the salvation of their country, and I want your opinion as to whether, under those conditions, a sufficient time is likely to be available for the purpose of working out a satisfactory solution.

Mr. GAVITO. I think that any foreign intervention should put things worse than they are at present; instead of shortening the time for rehabilitation of the country, it would work in the opposite way, and therefore a business man will find it is better to abstain from intervening in Mexico and not to make it any worse.

Mr. KEARFUL. Do you think that matter can be worked out without foreign intervention during your lifetime?

Mr. GAVITO. Time for a country is a different thing than for the life of a man. You know the life of a man is pretty short in comparison with the life of the country.

Mr. KEARFUL. Precisely; and the lives of the nationals and foreigners of every nation are likely to become extinct long before jus-

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tice is done to them on account of the depredations that have been committed in Mexico unless something is done to put Mexico in a stable condition.

Mr. GAVITO. I would tell you that in our history we see that the English creditors for our first national debt waited 70 years until a government was established which was willing to take it up and give the proper allowance. I do not see why the conditions have changed.

Mr. KEARFUL. Do you not think that it would be better for a certain amount of interference to occur to the extent of enabling the intelligent class now exiled from Mexico to return to their country and establish a permanent and orderly government than it would be to allow that condition to continue and those exiles to die, or to remain expatriated, and their children to become citizens of other countries?

Mr. GAVITO. I frankly believe that it is useless to discuss the theoretical scheme, because the most important part of it is the way in which it should be applied. In other words, if everybody agrees in the necessity of some help, it is so difficult that the help starts in the right point that nothing can be advanced by discussion of the principle.

Mr. KEARFUL. I think we all agree that it would be well for Mexico if its affairs could be placed in the hands of the intelligent class who are now largely exiled from the country; is not that true?

Mr. GAVITO. I think so.

Mr. KEARFUL. Would it not, then, be wise for some action to be taken for the purpose of putting the affairs of the Government into the hands of that class, and would it not be better to do it sooner than later?

Mr. GAVITO. First of all, the danger would be to give to that group the popularity that could be very, very favorable to the present controllers of the country.

Mr. KEARFUL. You mean that for this Government, or a combination of both Governments, to undertake to assist the intelligent class of Mexicans, would be to make that class unpopular with the people of Mexico?

Mr. GAVITO. I think so.

Mr. KEARFUL. With what class of people would it be unpopular?

Mr. GAVITO. With the great majority of people who make the revolutions and start the troubles down there.

Mr. KEARFUL. Do you believe that the people who make the revolutions and start the troubles in Mexico are entitled to any consideration? Who are the class of people who make the trouble and make the revolutions in Mexico?

Mr. GAVITO. The agitators.

Mr. KEARFUL. Is it not true that a very large percentage of the inhabitants of Mexico would welcome a government formed and maintained by the intelligent classes now exiled from Mexico?

Mr. GAVITO. Of course; yes.

Mr. KEARFUL. And do you believe that the peon classes would have any feeling of hostility toward such a government?

Mr. GAVITO. No; they do not care. At present they are awfully tired of revolution and disorder.

Mr. KEARFUL. Then, the only class that would be antagonized would be that class which is now in control?

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Mr. GAVITO. Yes; but, individually, they are the most active part of the people in Mexico.

Mr. KEARFUL. Well, what would there be to prevent the intelligent class from becoming active, if they had an opportunity; if they had assistance; if they had the chance?

Mr. GAVITO. There should be nothing.

Mr. KEARFUL. I believe that is all I want to ask you. Is there any further statement you would like to make?

Mr. GAVITO. No; I think not, thank you.

Mr. KEARFUL. Thank you very much.

(Witness excused.)

TESTIMONY OF DR. BRUCE BAKER CORBIN.

(The witness was duly sworn.)

Mr. KEARFUL. Please state your full name.

Dr. CORBIN. Bruce Baker Corbin, 66 Lenox Avenue, East Orange, N. J.

Mr. KEARFUL. What is your business?

Dr. CORBIN. I am a minister of the Methodist Episcopal Church, and one of the secretaries of the interchurch world movement.

Mr. KEARFUL. Did you have occasion to make an extended visit to Mexico recently in connection with matters in which you are interested?

Dr. CORBIN. I went into Mexico, I think, on the 19th of August, and left on the 22d of September. During those weeks I visited Monterrey, Tampico, San Luis Potosi, Mexico City, and Guanajuato. My trip extended as far as to those places and also Irapuato, Silao, and Puebla, and a number of other smaller places, less extended visits.

Mr. KEARFUL. Do you know D. B. Winton, a minister of the gospel?

Dr. CORBIN. Yes, sir.

Mr. KEARFUL. He was in Mexico at the same time you were, and on November 26, 1919, he wrote a letter to the Evening Post, which was afterwards incorporated in a propaganda pamphlet issued by the League of Free Nations Association. In that letter he made this statement:

"I spent this recent October in Mexico. The country is prosperous and at peace," and again, he says: "On the basis of personal knowledge I assert again, Mexico is prosperous, except in a few retired and unimportant sections."

Do you think that condition existed at that time in Mexico?

Dr. CORBIN. I should dislike to be in the position of contradicting Dr. Winton, but from my observation I can not say that Mexico was prosperous, especially in certain centers which have been prosperous in the past, very evidently so from the nature of the commercial buildings and institutions that are standing idle, the shutters down and everything dead around them, there has been a prosperity that is not to be noticed at the present time.

Mr. KEARFUL. To what particular places do you refer?

Dr. CORBIN. I was speaking particularly then of Monterrey and San Luis Potosi.

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Mr. KEARFUL. Just describe the conditions which you found there.

Dr. CORBIN. Well, at Monterrey, I think one of the smelters was operating at the time; there were not more than a third of the usual number of foreigners there, and the smelter that was running was, as I remember rightly, only using two or three of the furnaces—I do not know the technical name for them; their condition seemed to be very slow, and yet they said they were better than they had been. At San Luis Potosi I found things as dead as in any graveyard you would want to find, and the market places were very scantily provided, especially the native markets; hardly any traffic on the street except a hack driving people going from place to place; no commercial traffic and I saw one residence or building being constructed, and I asked to whom that belonged; they said it was a general. A very elegant structure, and I found the same condition existing in Monterrey. The only building that had been built recently was a very fine residence; I asked a hack driver to whom it belonged, and he said a general.

I may say so far as Mexico City and Puebla were concerned, the markets seemed to be supplied and yet there was every evidence manifested by the number of people that were constantly appealing to you for help, and on their faces and general conditions that they were suffering.

Mr. KEARFUL. Did you find a condition of general destitution in these places?

Dr. CORBIN. Yes, sir.

Mr. KEARFUL. And what did you find as to disease?

Dr. CORBIN. I am not a skilled observer in that respect. In the background, however, the fact that I have been in India and have seen the conditions there, and as is well known there is considerable destitution and poverty, and in the same length of time, with the average visitor, the population as I beheld them in India, I saw more suffering in Mexico than I had ever seen in the same length of time in India. There was every evidence of venereal diseases; I saw scores of little children less than 12 years old who were blind. I saw—well, in every period of life, on through to old age, very evident manifestations of social disease, and on the faces and persons of the people I came in contact with.

Mr. KEARFUL. Did you find anybody afflicted with leprosy?

Dr. CORBIN. I am familiar with leprosy; I have seen a large number of cases in India. I was going up the line toward Irapuato and looked out of the window and saw a man whose hands were fingerless. I suspected it was leprosy and afterwards I asked a physician with whom I was acquainted, and who has been practicing medicine in the State of Irapuato, if I was mistaken in judging it a case of leprosy. He said, "Doubtless you did see a case of leprosy," and he said in his judgment there was a minimum of one out of every 5,000 in the State of Irapuato who is leprous, and he said his judgment would put it nearer to one out of every 2,000.

I saw the worst case of leprosy I ever saw, not excepting the worst in India, and I have been close to many, I think, in the City of Irapuato, and I was close enough to drop a coin in his hand.

Mr. KEARFUL. Remaining at large?

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Dr. CORBIN. Yes; out on the street, a beggar. They were begging at the station; I saw numbers of them.

Then, as to the suffering of the children, evidently the children are the worst sufferers. Coming up from Tampico to San Luis Potosi, we were eating our lunch at Cardenas, and threw some orange and banana skins out of the window without giving a thought to the fact, and there was some scrambling and a commotion outside, and looking out the window the children were scrambling around after them, most of them were naked and diseased, and most of them were puffed out from eating food they had picked up. I was told afterwards that was one of the cities that had been sacked by Carranza because of the refusal of the population to join his army, and the men and women had been impressed into service and the children left to shift for themselves.

Mr. KEARFUL. What did you find the attitude of the population toward the Carranza Government?

Dr. CORBIN. I have a statement here I think I can give in just a minute and I would like to give it in this form.

I will say this: I take it to be very significant that I did not find but one person in all Mexico who had any pronounced confidence in the sincerity or ability of Carranza, and that was a young man who is secretary of agriculture in the State of Tlaxcala.

Mr. KEARFUL. That is a Government position?

Dr. CORBIN. Yes. He declared that President Carranza is a sincere patriot, but that in order to placate several factions he had given their leaders places in his government, and that he found it exceedingly difficult to control them, is at present very much aware of the corrupt practices of many of his officials, but is not in position to stop them. He also stated that enemies of Carranza within the Government were constantly seeking opportunities to discredit his administration in the eyes of the Mexican people, and the world, in order to further their own personal political ambitions. He thought Carranza had not had a fair opportunity to make good his pledges and put into effect his policies.

That was the only person I found in Mexico who had a good word to say for Carranza and that was the extent of it.

Mr. KEARFUL. What did you find to be the general feeling?

Dr. CORBIN. The people are worn out and worried and seemingly discouraged and helpless, hoping against hope there may be some chance of relief in the future. They are not able to give any suggestion as to how it will come about from any source within the borders of Mexico. I got it very clearly from talking with all classes that the trouble in Mexico is that it is Mexico, and that the source of the trouble is from within Mexico, and until the Mexican people themselves are changed, lifted to a higher moral and intellectual plane, there can not be a permanent basis of prosperity.

Mr. KEARFUL. Do you think they are themselves capable of lifting themselves to that plane?

Dr. CORBIN. I was very favorably impressed with the educated classes, with their ability, and was convinced that if the men of ability were able to get into the ascendency of the Government, there might be found a way out of the present difficulties, but talking with those that were willing to talk, I gained the impression that the

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men who were now in charge of affairs in Mexico were either rascals or ignoramuses. I was told that at least three members of the cabinet could not sign their own names. Whether that be true or not I do not know.

Mr. KEARFUL. What did you find to be the attitude of Americans in Mexico toward the American Government on account of the policy that has been pursued?

Dr. CORBIN. Well, it depended upon the temperament of the person who was relating the experiences through which he had passed. Some of them were broken hearted, and felt that they had gone into Mexico as they had under a treaty made with their own Government, and with the understanding that they would be protected in their life and property, and a feeling that they had been deserted. Many of them were deeply chagrined and humiliated; others were vindictive, and in an angry and sullen mood, and yet I found most of them fair-minded. There is a bitter spirit; you can see the bitterness rather than hear it; they do not talk so much.

Mr. KEARFUL. What is the general opinion of Americans in Mexico with respect to what should be done to put Mexico in orderly condition?

Dr. CORBIN. I heard men in the lobbies of the hotels and on the railroad trains speaking rather frankly, but they were not the type of men upon whom I would place very great reliance. Those men spoke very frankly, out and out, in no uncertain terms that the United States Government should intervene. And by that they meant military intervention, but as I talked with the more solid men—the university men and business men with large interests in Mexico—I found that they were very careful in expressing their opinions, and if I were to represent them in a general way, I would say that they feel that the United States Government should find some way to redress their ills, and to express itself emphatically, but they are leaving it for the Government to find that way, and they are not suggesting what it should do.

I heard one man in Mexico City, a business man—I will put it this way: He blurted it out with a question as to when I thought the Government would wake up and come down and do something about affairs down there. I spoke to him quietly, and I said, "Do you dare talk like that before your Mexican clerks, and before a general audience, as happens to be in this place at this time?" And he says, "I don't care." I said, "What would there be to it if the United States Government did assert itself, as you suggest? What would be the cost to you?" He said, "Oh, that would be some immediate loss." He said, "There would not be much to it, and it has got to be done, sooner or later, and we are all preparing ourselves for it."

That man did not hesitate at all to express himself, and did it publicly. He was the only man who seemed to have anything at stake who expressed himself in that way.

Mr. KEARFUL. How were conditions that prevailed while you were in Mexico with reference to military protection?

Dr. CORBIN. Why, I traveled on no trains that had less than two carloads of soldiers, and I noticed from that to 15 carloads. Going down from Mexico City to Vera Cruz we had a train running about

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a half a mile ahead of us with, I think, 4 carloads of soldiers with swivel guns, and our train had a sleeper to it, about a half a mile in the rear, and 6 or 7 soldiers went into the train; every hilltop has wire entanglements on it, and guards concentrated along there, especially where you go down the ravine from the table land into the plains. When we came up from Tampico to San Luis Potosi we were expecting to take a train at midnight, and we waited until 5 o'clock in the morning, when the train arrived just in time to turn around and go back. We asked what was the matter, and they said the bandits were after them, and said a military train would go ahead and clear the way. That was on Monday. The military authorities were in control until the latter part of the week, when we were taken out. The same train the next Wednesday was blown up and one of the military guards and at least one of the passengers killed outright and a number of others wounded. That was while I was in Mexico and not very far from there. It just happened to be their train instead of ours.

Mr. KEARFUL. That is the condition of peace that Dr. Winton speaks about.

Dr. CORBIN. There was not a great amount of peace. A friend of mine who was to have been a member of our party and was delayed, and who was down a week later, and his train was blown up, and he had to pay $200 for his freedom, and in talking with a railroad man afterwards I asked why the military guards did not intervene, or at least follow up the bandits, and he was informed that the leader of the military forces in that particular force was a very close friend of the leader of the bandits who had attacked the train. He said doubtless in two days they would meet somewhere and whack up, and he said that was the condition under which the bandits were working; that they were hand in glove; if the military forces cut out the bandits they would both lose out, and there seemed to be an agreement among them. That was the impression I gathered everywhere I went.

Mr. KEARFUL. What did you observe as to the destruction of property at different points where you were?

Dr. CORBIN. There were no railway stations standing except the station at San Luis Potosi, that was standing before the war. By that way, that is a very fine station. In Monterrey, one day, I was passing along the street and there happened to be an opening in a fence around the building, and I was attracted by the beautiful interior, and stepping into what I thought to be the lobby of a hotel that had been under construction at the time of the Carranza occupation of the city of Monterrey. We were taken by the caretaker up into the third and fourth floors, and I found rooms furnished as nicely as any of the hotels in this city or New York City, but the lower floors had been completely wrecked. The Carranza soldiers had shot away the glass dome in the office and had amused themselves by smashing the very fine chandeliers, and I was told that the structure had cost $800,000; that they had $400,000 worth of fixtures and equipment for that hotel in 20 cars standing at the station when Carranza attacked the city, and they were all destroyed.

I noticed in almost every city of any size through which we passed large numbers of steel box cars and rusted engines and roundhouses

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destroyed by fire, and it was reported that only eight engines were operating between Mexico City and Vera Cruz, and probably less than that between Vera Cruz and Tampico. There were other evidences of destruction.

I was impressed with the nature of the treatment accorded to the women. In a visit to the school of the Southern Methodist Episcopal Society and the hospital, Dr. Frost told us that every time any Carranza troops were expected the sister in charge of the convent came to him and asked if he would put a ladder by the convent so it would be possible for her girls to come over into the hospital for protection; that she thought the worst would happen to them if the Carranza troops discovered that the building was full of women, but for some reason they were not troubled, and that was an interesting sidelight to me on conditions, and I found that in some places they were not as safe as they were in Monterrey.

Going down to Tampico I think we probably traveled over the most dangerous section of the railroad we went over. Two days before two stations had been blown up or torn down on the road; we expected that, perhaps, something might happen that day, but we got through without incident, except that the rolling stock was filthy and unkempt and very unsatisfactory, and we were mighty lucky and glad to get through without accident. We did not complain very much on account of the accommodations.

At Queretaro I went into a monastery coupled with one of the old churches or cathedrals, and the sister superior there had had 40 orphan children and was trying to take care of them; seemed to be very grateful for the contributions we were able to make, and said that the most she could do was to keep a little something on the children's backs and keep them from actual starvation. She was not giving them enough to keep them in health and strength. She showed us around through the building and pointed out the service stations of the Carranza soldiers. The building had been wrecked, and the marks of the fire were very evident; and then she took us through and showed us where they had torn up the piles and inserted the treasure. They had stripped the church of everything of any value, and I went back into the sacristy and found a large number of images had been taken out and broken into pieces, and I asked her what that meant, and she took me out into the court and she said they stood those images up and got across the court and shot their eyes out. The images showed they did not miss. And that showed that even though those men were normally Catholic, they had lost all respect for their sacred sanctuaries, and I took that to be an indication of the moral degradation of the men composing those military forces.

As to the economic conditions I met a young man who was a graduate of the university here in America, managing a hacienda—I had better not mention too particularly where it was—but he was coming out of the country on his way to America to buy motor machinery, and he said the military forces had requisitioned his horses and his mules and taken his stock until he had too few to cultivate his soil, and he was going to come to America and buy motor machinery and learn how to operate it and go back and teach his men and see if it would be possible for him to cultivate his farm in that way. And

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then he turned in a whimsical sort of way and said, "But, what is the use? As soon as I cultivate some of the soil and get a crop, if it is worth anything, they will be around with some more requisitions." But, he said, "I am going to carry on, though, and do my best, but it is very discouraging," and that seemed to be the feeling on the part of the Mexicans whom I met, who were trying to carry on their work.

Mr. KEARFUL. What do they hope for?

Dr. CORBIN. They are without hope; they are disappointed, broken hearted, many of them. I describe it with that term. Are broken hearted. They see no way out. I met a lady, for a Mexican as refined a lady as you might wish to meet among American women of education; her husband and her father had been killed during the revolution; I think her home was in Durango. She is now in New York City. She said, "Why does not the United States Government take action? It will have to eventually and inevitably," and then she said, with a break in her voice, "But why don't you, while there is something to save, and before it has all been devasted and ruined," and I find that to be the general attitude of the intelligent Mexicans with whom I talked. The feeling is that they are helpless themselves, they have confidence in the United States, if we would pursue the same sort of policy we did in Cuba, and a way could be found to bring about better conditions. I found on every hand the people were appreciative of what we have done; we have given them railroads, electric lights, and tramways, and developed the natural resources of the country, and made a beginning in industries. I was in Puebla and visited the plant of Mr. Jenkins. He did not happen to be home, but his mother took us through. He has a very modern factory of cement and steel construction, well lighted and sanitary. We found them taking the cotton as it comes from the bale and spinning the thread and making stockings, and I judge he is supplying labor and subsistence for at least 500 families in the city of Puebla.

Mr. KEARFUL. What is the attitude of the Mexicans in that locality toward Mr. Jenkins?

Dr. CORBIN. I did not have an opportunity to interview them as I only made about a 36-hour stop there. I wish that I might have had, but we were on our way to Vera Cruz to get our boat, and did not stop there. So far as Mr. Jenkins himself is concerned, in the opinion of those with whom I had time to talk—I talked with Dr. Connell, a nephew of Dr. Russell H. Connell, of Philadelphia, who is in charge of one of the finest equipped hospitals, as well equipped as any I have ever seen in America. Mr. Jenkins furnished the property and buildings for that hospital, and is a great benefactor of the Mexican people in a philanthropic way.

So far as the Mexican people are concerned, the people working for him, they seem to be well clothed and well fed, and happy and contented. I think he is doing a great work for the Mexican people. No doubt he is making money, but he is entitled to what he gets. He has been doing it honorably. He is held in the highest regard by the missionaries and Canadian and English business men in the city of Puebla.

Mr. KEARFUL. Is it the opinion of the missionaries that anything can be done for the advancement of the ignorant people without

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furnishing them work and food and clothes and material advancement generally?

Dr. CORBIN. If you will let me answer that a little more extensively I will be glad to do it.

We found the missionaries, while the missionaries were willing to talk to us—while every member of our commission visiting Mexico had been a former missionary, and we were received perhaps in that way rather than as a delegation, they were very frank to tell us what experiences they had passed through, and their suffering, and the conditions as they knew them, yet they were very careful to avoid touching upon anything that would savor of the political. They were naturally neutral in what they are doing there, and are teaching patriotism, as we know it, the real article, to the children, and trying to inculcate in them those principles upon which a safe and sane citizenship will be based in the coming years, but through forces which are present we felt it was their opinion, and it became ours, that it is going to be a long, slow process to prepare any considerable portion of the Mexican people to an extent where they will be competent to govern themselves.

I am not sure that I have covered all of your question.

Mr. KEARFUL. No; the question particularly was whether or not it was not an essential element of the intellectual and spiritual advancement of an ignorant people that they should first have material advancement in the way of clothes and food and opportunity to work.

Dr. CORBIN. My understanding of the situation in Mexico is that before anything permanent can be done along philanthropic or moral lines the people have to have work and a chance to work in peace, and I think if they had a chance to earn a livelihood and I will put it even stronger than that; many of them are going to starve to death and are starving to death at the present time—they want a chance to earn a living, and then until the actual physical suffering has been alleviated there is no use, on any large scale, to give them moral instruction or education.

On the other hand where a people that are suffering are within reach of these institutions they are being administered to. That is one of the hopeful things, the extent of the ability of these institutions to administer to them, and they are overwhelmed with the demands and the necessities of the Mexican people.

Mr. KEARFUL. Well, do you think the Mexican people contain material upon which to build a capable government?

Dr. CORBIN. Of course, when you think of the people as a whole, you are face to face in Mexico with the same sort of problem you have in India. I had not been in India very long before I began to discover that the people you meet on the street represent many different languages and races, and I had not been in Mexico very long before I began to discern it there, that the people were not of the same type; that they are not of the same language; while they may have the same underlying racial characteristics and perhaps racial psychology may be common, there are perplexities and problems which you will have to meet if you go down to the Mexican people as a whole with any kind of program, and it is going to be a long and difficult task. And, still, I met a considerable number of

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those who have had educational advantages; for instance, I met at Queretaro a man of the peon class who said that he had no education whatever; that the most he knew in the line of learning was that he could keep tally in weighing out cotton or products from the ranch over which he was placed, but he was sending his two children to the mission school in that city, and I saw those boys and they were likely chaps, and it is my firm conviction that, taking the Mexican youth as they run, even from the Indians and those from the class that would seem to promise the least, that with proper training and opportunity they will rise to great heights, and that the root stem is such that it can be built on, but it will take perhaps generations to make a strong, civilized, progressive people.

The immediate solution is not through education.

Mr. KEARFUL. Have you any further statement that you desire to make?

Dr. CORBIN. I would like to say something of what I observed the Americans were doing for the Mexican people; some thing along the line of what I said about Mr. Jenkins.

Mr. KEARFUL. We should like to hear it.

Dr. CORBIN. I was greatly interested in looking over the living quarters provided by the American Smelting and Refining Co. at Monterrey for its laborers. I observed the type of men that they had employed, and the clothing they wore and their general physical condition. They were well fed and well clothed. The employees were housed in substantial brick quarters while people of the same class over the fence from them were in mud huts and shanties made out of slabs and tin cans and brush, with no floors. Down at Tampico, the morning after my arrival, I started out independently and went up the river about nine miles and passed by the loading stations of three or four of the oil companies, and I was quite impressed with the well-built, nicely painted cottages along the fence. I first thought they might be the homes of American workmen. I asked, through the workman who was with me and who understood Spanish, the question as to who lived in those houses and he informed me they were the Mexican workmen of different oil companies, and I asked if they were well treated, and he said that they received very satisfactory wages, were furnished with the electric light and running water and ice and are provided with supplies practically at cost, and he said when they were sick there was a doctor to look after them and a hospital to which they could go.

That was volunteered, in that off-hand way.

Mr. KEARFUL. There were schools also, were there not?

Dr. CORBIN. I went over to the Huasteca Oil Co.'s plant later on, and had a chance to inquire more particularly into the housing conditions and to observe what was being done, and I was simply amazed in going over the plant to discover that in the woodworking, steel, and machine shops and foundries there were hundreds of Mexican workmen turning out as fine results in manual work as could be achieved by Americans; patterns, copper, and brass work of the very finest type. I made inquiry and found there was only one American in each department, and he was more of an instructor than a boss, and that these workmen had been taken absolutely raw from among the peon class, had received instruction, and under

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that instruction had been brought to a place where they were doing the very finest of work. We saw them repairing tankers there, and we were told by the superintendent that during the war the tankers would put in, and within 36 to 48 hours be ready to go back to sea, thoroughly repaired, and Mexican workmen did it all.

These plants are practically manual training schools for the Mexican people. Their homes were very substantial and clean and evidently inspected, for the Mexican people, in their native way, naturally would not be overly clean about the premises, but they were absolutely clean everywhere I visited. We went into the slaughterhouse and that was immaculate. The market place we found they were giving the people two exhibitions of moving pictures a week, and we found a school with four grades, and I think there were five teachers in charge, as up to date as any rural school you can find anywhere in America of its size, and we were taken through the artificial ice plant, and I went out to the waterworks and pumping station, from which they supply the water to the homes of the workmen, and I came away with this impression: That the Mexican people are distinctly the better off for the occupation of the oil regions, at least, by the foreign interests.

At Guanajuato I found the conditions were not equal to those in the oil section, but that the people were delighted when the Americans came back and opened up the mines, and whereas the population was normally about 100,000 and had dropped down to below 20,000, they had gotten back to 60,000, and I was told by Dr. Salmons, who had been in the city for years—and this is interesting—that some time ago there was a strike against the mining interests in Guanajuato, probably started by the I. W. W., and quite a general walkout; that the strikers organized their forces and funds and sought to support the families of the men who were striking by a corn fund. The Government intervened and offered to administer the fund for them, but the Mexicans, evidently from past experience, said "Not on your life," and they went to the managers of the mines there in Guanajuato and asked them if they would form a committee to administer the corn fund for them, even though they were striking against them, in the belief that they would get a square deal and an honest accounting for their money.

And I found, from questioning, that that is the feeling of the Mexican laborer everywhere I went in his attitude toward the American employer of labor. They feel that they will get a square deal every time. And I did not find prosperity where foreign capital was not invested and being directed by foreign management.

Mr. KEARFUL. Anything further?

Dr. CORBIN. May I use my figure of speech in closing?

Mr. KEARFUL. Yes.

Dr. CORBIN. If I were to sum up, I would state the situation as I see it in the form of a conclusion in the following figure: Mexico to-day is in need of a more or less serious surgical operation, followed by a period of prolonged convalescence under skillful nursing.

Mr. KEARFUL. Thank you, sir.

Whereupon, at 4.10 p. m., the committee adjourned.

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INVESTIGATION OF MEXICAN AFFAIRS.

THURSDAY, FEBRUARY 5, 1920.

UNITED STATES SENATE,
SUBCOMMITTEE OF THE
COMMITTEE ON FOREIGN RELATIONS,
Washington, D. C.

Testimony taken at Washington, D. C., February 5, 1920, by Francis J. Kearful, Esq., in pursuance of an order of the Subcommittee of the Committee on Foreign Relations of the Senate.

TESTIMONY OF MR. KIRBY THOMAS.

Mr. KEARFUL. You have been subpœnaed to testify before the committee. Will you please state your full name?

Mr. THOMAS. Kirby Thomas.

Mr. KEARFUL. Where do you live?

Mr. THOMAS. New York.

Mr. KEARFUL. What is your address?

Mr. THOMAS. 70 Central Park West.

Mr. KEARFUL. What is your profession?

Mr. THOMAS. Mining engineer.

Mr. KEARFUL. Are you connected with the mining business in Mexico?

Mr. THOMAS. I am.

Mr. KEARFUL. What opportunities have you had to study the condition and progress of mining in Mexico?

Mr. THOMAS. I first went to Mexico in 1904, in mine examination work. Since that time I have made many trips to Mexico and in different parts of Mexico, and have been in practically every mining district in Mexico. I went to live in Mexico City about 1908 and lived there for two years. After that I moved to New York, but continued to go into Mexico in connection with business until about 1914. I think in 1915 was the last time I was in Mexico.

Mr. KEARFUL. Have you made a study of the conditions of mining in Mexico?

Mr. THOMAS. I have. When I first went to Mexico I made some investigations that took me over the Republic quite generally in connection with mining matters, and subsequently I undertook to write a review of the mining in Mexico for the Mining World, of Chicago. This was published, I think, in 1905, and again in 1908 I wrote quite extensively on Mexico, and subsequently have written a number of articles on Mexico.

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When I was in Mexico first I was editor of the Mexican Mining Journal, a paper devoted to mining in Mexico, published in English and Spanish, and I was also the organizing secretary of the American Institute of Mining and Metallurgy—that was the English name of it—which took in the mining men of Mexico of all nationalities. The preponderant membership, of course, was American, but we had quite a large number of Mexicans and, of course, the other nationalities were represented.

Mr. KEARFUL. If you are able to do so, we should like to have you give us a statement of the development of mining in Mexico from the earliest times up to the present, in your own way.

Mr. THOMAS. I can do that in general terms, of course; the dates I have not in mind.

It is not necessary, I presume, to refer to the activities of the Spanish and Mexican mining, although their activities were much more extensive than is ordinarily believed, and were much more effective. The early Spanish pioneers, with great courage, and a great deal of skill, penetrated into all parts of what is now Mexico, also parts of the Mexican territory which has since been acquired by the United States, and undertook very substantial and profitable mining operations. This work was quite effective, as far as results were concerned, as we judge even by our present day standards.

These Mexican operators had the assistance of cheap labor, some of it slave labor, but nevertheless they were able to apply engineering methods to the operations in a way that creates admiration of the results as we see them now.

This mining industry, of course, subsided during the period of the revolution in Mexico which separated that country from Spain. However, mining operations were early resumed, as early as 1824. The British, through responsible engineering and financial houses, and organizations, undertook mining in Mexico, and operated in widely scattered parts of the Republic, the principal operators being in Pachuca, another in Teloloapam, and another at Zacatecas, and another at Bolaños, and operations in the northern part of Chihuahua. These operations continued on down until the late forties, and were discontinued partly because of political difficulties, but chiefly because of the enormous physical obstacles in connection with transportation and the handling of such operations as mining in the country at that time.

The English interests again revived after the Maximilian incident, and were quite active until along in the late eighties.

Mr. KEARFUL. When did the Americans begin operating mines in Mexico?

Mr. THOMAS. There were practically no American operations in there, except, I think, in the early eighties, Gen. Frisbie, of California, came into El Oro to undertake some developments there. He had been in Mexico and had become familiar with the situation. He was associated with the British interests in the early El Oro undertakings, and in the late eighties, and I think ex-Senator Teller of Colorado sent men into Chihuahua who took up some properties there. There was no general attempt on the part of Americans to participate in Mexican mining until the inception of the Mexican Central Railroad, which must have been in the late

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eighties. I think it was in the late eighties. Then, of course, a great many Americans came into Northern Mexico and came to the camps along the Mexican Central Railroad.

Mr. KEARFUL. What was the condition of the mines in Mexico at the time of the beginning of operations by Americans, as to their being rich and easy or difficult?

Mr. THOMAS. The mines were practically all abandoned at that time, all mining operations, at the time the Americans began to come in. The mines had been allowed to fill with water. The only operations were by the Mexican prospectors, who worked over the dumps, and when the Americans came there the mines were quite uncertain as to value. There were no adequate reports about them; traditions of large production, we soon found, did not mean anything, and it was necessary to make expensive examinations and to undertake expensive investigations of the mines to ascertain their value. There was, of course, no equipment in connection with any of the mining properties in Mexico that was of any advantage to present-day operators.

Mr. KEARFUL. Will you proceed, now, to describe the operations conducted by Americans in Mexican mines?

Mr. THOMAS. The first contract of the Americans was in the negotiation stage when these old abandoned properties were successfully sought out by American promoters or engineers or representatives of American companies, and negotiations were then entered into with the then Mexican owners for these properties. Practically all of the mines that had a record or had been operated extensively were owned by Mexicans. The only exception was the remnant of the British operations in Mexico, which were important mines.

These negotiations were direct with the Mexican owners; frequently it was quite difficult to arrive at terms, and generally the Mexican owners required practically cash payment, or very substantial payment, for their property. They very seldom retained an interest in the properties, and very seldom invested any capital in the mining enterprises, either on their own account or in association with new American interests that were coming in at that time.

Mr. KEARFUL. Did they as a rule receive good prices for their property?

Mr. THOMAS. They received very substantial prices for the properties. At first they were glad to accept more liberal prices, but since the demand was active, the Mexican was quite shrewd enough to drive a good bargain. In fact, many times they drove bargains that were quite to their credit, from that standpoint.

Mr. KEARFUL. Were the conditions of the mining properties in Mexico such that they could be worked without large capital?

Mr. THOMAS. Practically none of these abandoned mines could be operated at all without large investment for mining development and a still larger investment for mining and mill equipment.

Mr. KEARFUL. What was the effect upon the population of Mexico as to their economic conditions resulting from the operations of the mines by Americans?

Mr. THOMAS. The development of mining in the different old camps in Mexico immediately created a demand for labor, and this resulted in a great economic benefit to the Mexican working classes.

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and a very substantial benefit to the business interests by reason of the large amount of general business created incidentally to mining.

At first, the old scale of wages, of course, was offered to the men. This was as low as perhaps 50 centavos—25 cents a day, but the price soon began to increase, particularly in the northern part of the country, and in fact all over Mexico, so that in a few years the Mexican miners were receiving from two to five times as much wages as had ever been paid before, and they were receiving it in money and without any restriction as regards the payment to them or their employment in the mines.

Mr. KEARFUL. What sort of precious metals were mined?

Mr. THOMAS. The principal output at first was silver, with a minor amount of gold. Subsequently, it led into copper and zinc, which became quite an important production.

Mr. KEARFUL. Have you at hand a statement of the agreegate amount of those metals in value that were taken out by Americans in these operations up to 1914?

Mr. THOMAS. No; I can not give you that. I have no statistics on that. I can give you the proportion of American interest in mining, and then give you the total figures.

Mr. KEARFUL. Please do that.

Mr. THOMAS. Along in 1909 and 1910 the American interests were decidedly preponderant in the Mexican mining industry. This was to such an extent that the industry was recognized as distinctly American.

Mr. KEARFUL. About what percentage American?

Mr. THOMAS. We made a calculation, I think, about 1909, that 90 per cent of the active mining in Mexico was in the hands of Americans. This was controverted by one of the Government departments, and perhaps it was a little high, because we calculated the British-owned or partly British-owned properties operated by American engineers, and some investments in which there was Mexican capital as well. I feel quite sure that the Americans had substantially over three-fourths of the developed and operating mines in Mexico in 1910.

Mr. KEARFUL. What proportion of the actual amount in value that was taken out of the mines remained in Mexico, and what proportion was derived by way of profits?

Mr. THOMAS. Much the larger portion of the value remained in Mexico, necessarily. This is especially true in connection with the low-grade operations, which represented the great bulk of the operations which were under way during this period. To illustrate, in one important operation at Guanajuato, the total value in silver, in the ore, was $5.50. Ninety per cent of this was recovered, and the profit in it, which represented potential dividends to the American capital, was 50 cents a ton. The rest of it was all expended in Mexico for labor, materials, and supplies.

I might say in this connection this operation treated 3,000 tons a day, so the earnings were substantial at that, and proportionately the expenditure in Mexico was enormously greater than the earnings.

Mr. KEARFUL. What have you to say about the statement which has been made in this country to the effect that American capitalists have gone into Mexico under special concessions and have exploited the Mexican people?

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Mr. THOMAS. As far as the mining investments and the mining activities are concerned, the American interests has no special concessions of any importance. New undertakings were frequently granted a remission of taxes for a period of years, or the free importation of material for mills or smelters, or some beneficial concession of that kind.

Mr. KEARFUL. That would be upon very onerous conditions, would it not?

Mr. THOMAS. Well, under strict conditions, yes; it was a favor to the mining industry.

Mr. KEARFUL. What conditions were attached to those concessions?

Mr. THOMAS. The conditions were that the undertaking should be carried out on a substantially effective scale, which involved investment of many millions of dollars, frequently in one enterprise.

Mr. KEARFUL. What security would have to be given for the fulfillment of those conditions?

Mr. THOMAS. The Mexican Government always required a bond be executed, and carefully scrutinized the application of these concessions.

In this connection so-called concessions should not be regarded as any sweeping grants of natural resources or other rights to Americans, for there was none of that in connection with mining. Americans had the same rights to apply for the Government-owned mines as the Mexicans did, and under equal conditions.

Mr. KEARFUL. The operation of mines was under general laws, which made it open to anybody on equal terms?

Mr. THOMAS. That is true. The laws were quite fair and equitably applied.

Mr. KEARFUL. Have you information as to the number of Americans in Mexico at the time of the fall of Porfirio Diaz?

Mr. THOMAS. We had some estimates made about 1910 that there were 75,000 Americans living in Mexico. Some claimed as high as 100,000. I think probably 75,000 is a fair figure. That included the families of Americans who were employed there in various industries.

Mr. KEARFUL. What was the character of these Americans that were operating in Mexico at that time, amounting to 75,000?

Mr. THOMAS. The Americans that were in Mexico at that time were of a particularly high class. They represented men in responsible positions, and most of them were there as managers, engineers, specialists, and accountants, and in positions of a character that would require men of above the ordinary experience and ability, and certainly men of character and responsibility.

Mr. KEARFUL. They were not speculators engaged in defrauding the Mexican people of their rights?

Mr. THOMAS. Not at all.

Mr. KEARFUL. That was not true to any extent, was it?

Mr. THOMAS. That was not true to any extent whatever.

Mr. KEARFUL. What was the attitude of the Mexicans toward those Americans who were operating in Mexico?

Mr. THOMAS. The official class was generally quite friendly, and were willing to assist in any way that they could. The Government undertook to keep in pretty close touch with conditions, and in

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numerous instances went out of their way to see that the reputable American enterprises had their rights. The business people generally favored the Americans. There was some little friction in the smaller towns, and competition would come in between American stores and Mexican stores, but this was not serious, for the Americans had only special stores for newspapers and drugs and special groceries that the Americans wanted, and they bought largely from the Mexican merchants, and, of course, the labor all bought from Mexican merchants.

Mr. KEARFUL. What was the attitude of the Mexican laboring class toward the Americans?

Mr. THOMAS. The Mexican laborer showed generally a good attitude toward the Americans. Of course, he was distinctly in a lower class, and at the same time the Mexican laborer was not unfriendly or hostile to the Americans in any way.

Mr. KEARFUL. How was he treated by the Americans with respect to his treatment by the Mexicans?

Mr. THOMAS. The Americans, as a rule, practically in all cases, were much more considerate of the workingmen and of their interests than the Mexicans had been, and they undertook a great many things for the Mexican laborer which had never been done before, some of them on general grounds of public good and others simply as a matter of business, to secure the contentment and efficiency of labor.

Mr. KEARFUL. What classes of people made it possible for the economic development and the creation of property values that has taken place in Mexico?

Mr. THOMAS. Well, the new undertakings in connection with the railroads, mining and special agricultural developments, irrigation projects, were practically all in the hands of foreigners, the Americans preponderating in railroad and mining. Other nationalities were in other lines.

Mr. KEARFUL. What has been the bases of the revolutions in Mexico, as you have observed them?

Mr. THOMAS. Nearly always political ambitions.

Mr. KEARFUL. You mean personal ambitions?

Mr. THOMAS. Personal ambitions.

Mr. KEARFUL. The manifestos issued by revolutionary leaders usually are in terms of high principle?

Mr. THOMAS. Generally very good reading, yes.

Mr. KEARFUL. But you think that nevertheless the real motives of revolutions have been something different from that?

Mr. THOMAS. Without any question. To get personal control, and to use that control for their own personal benefit.

Mr. KEARFUL. It has been common for revolutionary leaders to promise the natives restoration of lands and other property. Do you believe that it is practicable to divide up and distribute the lands among the native population?

Mr. THOMAS. I think it is practical to make a wider distribution of landowners, and it should be done, in Mexico, and could be done properly.

Mr. KEARFUL. Has any attempt to make such distribution been made by any of the revolutionary leaders after they came into power?

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Mr. THOMAS. You are speaking of the present revolution?

Mr. KEARFUL. I mean since the time of Porfirio Diaz.

Mr. THOMAS. No. I was thinking of that time of some of Diaz's undertaking, where he sought to get the Indians on land and where he was fairly successful, in a small way, in that. Perhaps I should answer the question a little differently.

Mr. KEARFUL. What about the subsequent conditions?

Mr. THOMAS. The subsequent conditions in Mexico have not developed any successful movement toward a wider distribution of ownership in land.

Mr. KEARFUL. Is it not true that most of the lands in Mexico are arid, and require irrigation?

Mr. THOMAS. That is true, in the northern part.

Mr. KEARFUL. And is it possible to divide such lands into small tracts, as an initial operation?

Mr. THOMAS. Not the arid lands, but there are large areas in the south that I think could be divided with good economic results, and it should be done.

Mr. KEARFUL. Do you know of such operations since the time of Porfirio Diaz?

Mr. THOMAS. No; I know of none, and in fact, I know it has not been done.

Mr. KEARFUL. You do know that during his time certain efforts were made to effect a large distribution of land?

Mr. THOMAS. Yes.

Mr. KEARFUL. What has been your experience and observation with reference to protection of Americans' rights and interests in Mexico by this Government since the time of Porfirio Diaz?

Mr. THOMAS. There has been no effort to protect American rights, and, on the contrary, there has been a repudiation of distinct pledges that were made to us, officially and semiofficially, when we went into Mexico.

Mr. KEARFUL. Can you relate some instances of delinquency on the part of this Government in that respect?

Mr. THOMAS. In respect to property rights?

Mr. KEARFUL. Yes; and life also.

Mr. THOMAS. There are so many of them I do not know just what one to refer to. There has been absolutely no response to the appeal of Americans for the protection of their property or lives in Mexico since the time of the Diaz régime. Prior to that time, through a continued effort on the part of Washington to secure rights for Americans, it was successful in large degree.

Mr. KEARFUL. What has been the condition of mining operations since that time?

Mr. THOMAS. Mining operations were seriously hindered from time to time during the various revolutions, and after making attempts to resume, were practically put out of business entirely for a long period of time. More recently, operations have been carried on fairly aggressively in very limited areas, which were under special protection, and which were convenient to the large cities and the railroads. In these efforts the present government, the Carranza government, has practically directed that operations be carried on so as to provide labor for the large number of men dependent upon this

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industry. The industry has practically been confined to the railroad districts, as I have said, and has only been in camps where there has been equipped and developed mines ready for operation. There has been little or no attempt to develop new mines or install new equipment for operations except in these few favored and special localities.

Mr. KEARFUL. To what extent have the mining operations decreased since the time of Diaz?

Mr. THOMAS. Probably 90 per cent of the responsible active mining undertakings that were under way in the time of Diaz have been entirely suspended or have become financially involved and are thereby a loss to their American owners.

Mr. KEARFUL. Have you an estimate of the number of Americans who are still operating in Mexico as against the 75,000 that were there in the time of Diaz?

Mr. THOMAS. I have had estimates that the number of Americans in Mexico now, outside of the officials, do not exceed 3,000 to 5,000.

Mr. KEARFUL. Do you know what has become of the remainder?

Mr. THOMAS. They all had to leave the country during the various periods of acute trouble, or under orders from Washington. Most of them have lost their positions and connections and their personal property and have been obliged to seek work elsewhere, either in the United States or South American countries. Most of them have had to practically start over in life.

Mr. KEARFUL. The committee has had some difficulty in securing mining men who are still operating in Mexico to testify. Do you understand the reason for that reluctance?

Mr. THOMAS. Mining men who are interested in Mexico now, or are expecting to become interested in the future operations, are very reluctant to appear before the committee for the reason that they feel that they may either jeopardize lives and interests in Mexico, or do injury to the interests of their companies and employers by reason of the public record which is made at these investigations.

Mr. KEARFUL. Have you in mind some instances of outrages committed upon Americans which were reported to the State Department, and the action taken by the State Department as illustrating its interest in Americans?

Mr. THOMAS. I have in mind a large number of cases, but I can cite one or two that come within my own personal knowledge and touch, because of the personal acquaintance with the unfortunates involved.

One case is the case of Howard L. Elton, who was a mining engineer from Montana, and a competent and effective man, too, who went to Oaxaca about 1900 to take charge of some American companies who were operating there. After the beginning of political troubles in Mexico these operations ceased and he undertook to continue his profession by doing assaying and buying ores. As I understand it, from correspondence and other information, he was arrested, charged with a technical offense of buying ore from the rebels, and was tried and condemned to be shot. Every effort was made on the part of his friends to reach the State Department and secure some intervention that would protect him from this severe and undue penalty. After a long delay the State Department did finally secure a hearing from the Mexican authorities and secured a promise of favorable action in the case. In the meanwhile, Elton was shot.

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Mr. KEARFUL. What other cases have you in mind?

Mr. THOMAS. I have in mind Boris Gorow. Boris Gorow was a Russian who had become an American citizen and was engaged in mining in the south of Mexico. Subsequently he took charge of some American-owned property in Jalisco. This was attacked by rebels, and he and a couple of American employees drove them off. Subsequently the rebels returned to seize the property and succeeded in getting between the property and where Mr. Gorow was, and finally shot him. He was supposed to be dead, and the rebels, as is customary in such cases, noticed that he had gold-filled teeth and undertook to remove his teeth for the gold. It was reported to me by the surviving member of the party that Gorow was still alive at the time, and was able to bite the finger of one of the rebels, with the result, of course, that he was killed and his body thrown over a precipice. Together with friends of Mr. Gorow, the matter was taken up with the State Department by us, and after a long delay we were advised that the facts were substantially as we understood them. No other action was taken.

Mr. KEARFUL. No action was taken to secure redress?

Mr. THOMAS. So far as I know; I have not tried to find out.

Mr. KEARFUL. What year was that?

Mr. THOMAS. That was in 1915.

Mr. KEARFUL. Have you in mind any other reports?

Mr. THOMAS. I have in mind reports coming to me from indirect sources in Sonora from teamsters at the station of La Colorada, near Hermosillo. This man was shot from ambush, and it was given out officially that he was shot by the Yaqui Indians. As a matter of fact, it was commonly understood, locally, that he was shot by some of the Carranza soldiers, who committed this act so as to afford an excuse for remaining inactive in Sonora instead of being sent to fight the Villistas at Juarez, who were then active at that place.

Mr. KEARFUL. The idea being that this man having been reported as killed by the Yaquis, it was necessary for them to stay to suppress the Yaqui Indians?

Mr. THOMAS. Wanted to raise a Yaqui scare, which was enough to set everybody going in that part of the country.

Mr. KEARFUL. What do you know about notice given to the American authorities of the Columbus raid before it occurred?

Mr. THOMAS. My information is, from indirect sources, that the American authorities at El Paso were notified that Villa was in the hills within 2 days of Columbus, and they expressed disbelief in it. As a matter of fact, he was there or his party was there. It was also reported that he was there for the purpose of receiving a courier who was due to arrive from Yucatan, representing the rebel activities in that part of Mexico at that time. It was not uncommon for him to receive couriers from rebel chiefs, and they had to pass through American territory, and this was done with the consent of the American authorities, and it was done on numerous occasions. On this occasion Villa is reported to have notified the authorities that a courier was due to arrive, to be in New York and El Paso, from Yucatan. The courier was permitted to proceed to the Sheldon Hotel in El Paso, and was there arrested and his papers examined.

Villa, on learning of this, is said to have ordered the raid on Columbus.

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Mr. KEARFUL. Do you remember about the Carrizal incident, where a number of American soldiers were killed by Mexicans during the Pershing expedition?

Mr. THOMAS. I am quite familiar with the published information concerning it.

Mr. KEARFUL. Do you remember the correspondence that preceded that incident between the military commander and Gen. Pershing?

Mr. THOMAS. At the time; yes.

Mr. KEARFUL. What was the substance of that?

Mr. THOMAS. It was an agreement between the military commander of that division and Gen. Pershing with reference to mutual rights of the two armies in that territory.

Mr. KEARFUL. Well, you remember that Gen. Trevino notified Gen. Pershing that if he should move his forces south or east or west, or any other direction except north, he would be attacked?

Mr. THOMAS. Yes; I remember that distinctly.

Mr. KEARFUL. And Gen. Pershing answered that he would move his forces wherever he pleased, and that any attack upon them would be followed by the gravest consequences?

Mr. THOMAS. I remember that distinctly.

Mr. KEARFUL. And he would use his whole force?

Mr. THOMAS. Yes.

Mr. KEARFUL. And the Carrizal attack took place and a number of American soldiers were killed?

Mr. THOMAS. Nineteen, I think.

Mr. KEARFUL. And no action was taken. Did you have any conversation with any American officers with reference to their attitude on that action?

Mr. THOMAS. The attitude of the American officers and the American soldiers of the Pershing expedition who were in contact with this incident was distinctly in condemnation of the situation which was permitted to arise. The officers had great difficulty in preventing actual mutiny of the privates, who felt that their comrades and Lieut. Adair had been officially murdered, to use the expression which was given to me.

Mr. KEARFUL. Whom did they blame with the lack of action?

Mr. THOMAS. They blamed the authorities at Washington.

Mr. KEARFUL. They did not blame Gen. Pershing?

Mr. THOMAS. They did not, because he was under orders. I believe that Gen. Pershing could have captured Villa if he had been given a free hand at that time. In fact, it was generally known where Villa was, and Pershing must have known, of course.

Mr. KEARFUL. Was that the general opinion of the officers familiar with the situation?

Mr. THOMAS. It was the opinion of Americans who were in that district at the time. They all knew where Villa was, approximately.

Mr. KEARFUL. What do you know about an understanding between representatives of this Government and the allied governments at Paris with reference to Mexico at the time of the negotiation of the treaty?

Mr. THOMAS. The British interests in Mexico, for a time during the early part of the war, in 1914 and 1915, were disposed to make American connections in order to protect their American interests and se-

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cure their rights in Mexico. This was evidenced by a number of matters which came up in connection with mining negotiations during that period. However, when the peace conference was in session at Paris this attitude changed entirely, and direct instructions were sent from the representatives of large British interests in Mexico to their associates and representatives in this country not to cooperate or affiliate or become in any way involved in connection with any of the American financial interests in Mexico, or with the American Government policy with regard to Mexico.

It subsequently developed, as personal correspondence from England indicated, that the English interests were acting on the assumption that there had been an agreement between the principal parties to the peace conference that no action would be taken in regard to Mexico until after the peace treaty had been signed, and that then there would be a conference between the principal parties on the allied side preceding any action in regard to Mexico.

There has been direct information from London to this effect, conveyed to Canadian and British interests who are concerned in the Mexican situation.

Mr. KEARFUL. Are you informed in a general way as to the amounts owing by Mexico, and the funded debt?

Mr. THOMAS. The public debt and railroad debt?

Mr. KEARFUL. Yes.

Mr. THOMAS. Yes; I have been over that information a number of times.

Mr. KEARFUL. That is all in the record here?

Mr. THOMAS. Yes; and other places.

Mr. KEARFUL. I want to ask you whether you believe that under proper conditions Mexico would be able to pay its debts?

Mr. THOMAS. Mexico should, by no means, be considered a bankrupt nation. I feel quite sure that a scrutiny of the public finances of Mexico and a consideration of its natural resources and potential resources would present a very convincing result as regards the solvency of Mexico and the possibility of Mexico paying, under proper conditions, all of its public debts, and any reasonable, or even a very large, amount of claims for damages arising out of the revolution. This, of course, would have to be done through some bonding and financing arrangement, but it could be done in a way that would make no excessive tax burden on the Mexican people or the Mexican nation. In fact, I think Mexico, under proper financing and efficient financial management, would soon take its place with a better financial rating and credit than most of the European countries, and probably along the line of our own country.

Mr. KEARFUL. Do you think that result can be accomplished by the present Mexican authorities?

Mr. THOMAS. It can not.

Mr. KEARFUL. What do you think is the first essential thing that must be kept in view in accomplishing that result?

Mr. THOMAS. The essential thing is a change in the policy of the Mexican Government and a change in the personnel of the men to come into control under the new order of things.

Mr. KEARFUL. In order to arrive at a result where Mexico would be on a sound financial basis, is it not essential that there should be

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established in Mexico a Government upon which foreign creditors could rely as permanent?

Mr. THOMAS. It is essential there should be established a permanent government, and it should be along lines which would lead to the development of the natural and latent resources of the republic.

Mr. KEARFUL. Do you believe that such a government can be established without outside assistance?

Mr. THOMAS. I believe not, under the present conditions.

Mr. KEARFUL. What form do you think such assistance should take?

Mr. THOMAS. I believe it is necessary for the American Government, acting in accord, as far as it possibly can, with the leading nations of Europe that are interested in Mexico, to definitely set forth some constructive general program for Mexico, and at least to give the Mexicans an opportunity to conform to it, and to give them substantial assistance in conforming to this plan. If they do not, as they probably will not, do this of their own initiative, as long as the present Government is in control, then it will lead to the necessity of some pressure being brought to bear upon the Government of Mexico as it exists to-day and upon the controlling influences of that Government.

Mr. KEARFUL. What form do you think it should take?

Mr. THOMAS. I think moral pressure and general presentation of a firm front would do a great deal toward preparing the way for a change in conditions, and then, as an alternative, some firm, definite and vigorous plans of enforcement should be announced and carried out. The plan of armed intervention to conquer the country should be held in abeyance as the last resort, and probably would not be required at all if such a policy were promptly announced and a means to carry out were made evident along with the announcement of the intention to do so.

Mr. KEARFUL. Do you believe it would be sufficient to send an ultimatum announcing just what Mexico would be required to do?

Mr. THOMAS. I do not think it would be sufficient, but it would probably be a wise first step.

Mr. KEARFUL. Do you think that step should be taken without the intention of following it up with force?

Mr. THOMAS. By no means. We have already fumbled too many times with regard to Mexico, and the psychology of the Mexican people, and particularly the Mexican leaders, is such that unless they know we mean it, and not only mean it but are prepared to effectively carry out any program or plan, they will only be amused at the effort and make light of it.

Mr. KEARFUL. In view of the many forcible notes which have already been sent, do you believe it would be possible to convince them we meant business without using force?

Mr. THOMAS. It probably would not, if these notes came from the same administration that the others have come from. A change of administration might make a change of attitude toward the note from the State Department in Washington.

Mr. KEARFUL. What do you think would be the effect upon the sentiment of South Americans toward us of a firm and forceful Mexican policy?

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Mr. THOMAS. The effect would certainly not be harmful, and probably would be beneficial by way of precedent and example. The South American countries have no particular community of interest with Mexico, notwithstanding the bond of common origin and of common language. In fact, Mexico is very little understood by the ordinary South American, and the sympathies, at least in the more important countries in South America, are certainly more favorable to the American policy and the American people than they are to the Mexican people.

Mr. KEARFUL. Do you believe that we would lose any prestige with the South American people by adopting a forceful policy toward Mexico and backing it up by force, and using force if necessary?

Mr. THOMAS. We would certainly not lose, assuming that our policy were based on proper motives and for good justification. I feel very sure that the Venezuela incident in the Cleveland administration and the Rasuli incident in Morocco were not only beneficial with regard to their influence on South American ideas, but were distinctly approved by most of the South American statesmen and publishers.

Mr. KEARFUL. What do you think has been the effect upon our prestige in South America of the policy that has been followed toward Mexico?

Mr. THOMAS. My own experience in Brazil in 1917 indicated, first, that the American policy toward Mexico was looked upon with bewilderment, complete lack of understanding, and the general conclusion was that we had made a mistake in not taking a definite, firm stand, irrespective of what the results might have been. I think such a stand would have been both understood and approved.

Mr. KEARFUL. Do you remember the circumstances of President Taft visiting President Diaz on the boundary line at El Paso?

Mr. THOMAS. That was in 1909, was it not?

Mr. KEARFUL. Yes; or 1910.

Mr. THOMAS. I am familiar with that; I was in Mexico at the time.

Mr. KEARFUL. And the circumstance that the photograph of Taft and Diaz was taken together?

Mr. THOMAS. Yes.

Mr. KEARFUL. Will you please describe the effect of that upon the Mexicans in Mexico?

Mr. THOMAS. Mr. Taft good naturedly permitted himself to be photographed standing alongside Porfirio Diaz, I think on the international bridge; at least, on the Mexican side. This photograph was immediately rephotographed, by order of the Mexican Government, and copies were sent to all parts of the Republic, and under it was labeled, the "Two Great Presidents of the Two Great Republics of North America."

Those of us who were in Mexico at the time considered this incident trivial, as it seems, but it was a very serious one as affecting the influence and standing of Americans in Mexico, for it gave the Mexican masses and the Mexican people an opportunity to place their own Government and their own country on at least an equal plane with the United States, which, of course, was not a fact in any way, and it was harmful to the interests of both people.

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Mr. KEARFUL. Was there not something in the photograph itself which indicated that Mexicans or the Mexican President was on something more than an equal plane?

Mr. THOMAS. The uniform and distinctive military appearance of Porfirio Diaz, of course, was in contrast to Mr. Taft's democratic attitude. This, naturally, was misinterpreted by the Mexican people.

Mr. KEARFUL. Is there any further statement you have in mind you would like to make?

Mr. THOMAS. I feel very sure it is impossible for any solution of the Mexican situation to be worked out with the Carranza Government. The Government is distinctly hostile to Americans and American politics, and has no fear or respect or consideration for the present American Government. The Carranza government has not the confidence of the substantial Mexican interests, and simply maintains itself in power through corrupt and improper means and by military force, and it does this simply because of the disordered and distraught condition of Mexico. The recognition of Carranza by this Government was a mistake, and there was no excuse for it at the time. This has been amply demonstrated by the repeated instances that have happened, and the relations between the two administrations, and it is also demonstrated by the avowed policy of the Carranza government and the crowd that directs the policies of his administration in their open disregard to American interests and their shameless attempt to create prejudice against Americans in Mexico and to misrepresent the relation and attitude of Americans and the American people and the American Government toward Mexico.

Mr. KEARFUL. Is there an element in Mexico that can be relied upon to maintain a permanent government of laws with the assistance of some competent outside power?

Mr. THOMAS. There is a sufficient number of Mexicans who are interested in the establishing and maintaining of a sound and permament government in Mexico to take over and manage the affairs of that country, if they are given a chance.

Mr. KEARFUL. Are not the members of that class at present residing outside of Mexico?

Mr. THOMAS. Many of the more competent men in political life and in business life are residing outside of Mexico, or, if they are still remaining in Mexico, are entirely inactive in public affairs. There are a number of people, Mexicans, still remaining in Mexico, but they keep absolutely still, and only ask to be let alone.

Mr. KEARFUL. Can you say something about the Mexican people themselves?

Mr. THOMAS. The great mass of the Mexican people, while illiterate, are not degenerate, nor are they vicious or criminal, and while they have not the capacity for self-government up to the standards that we have, or that are expected of this day, yet they have a general spirit of acquiesence to authority, and respect for authority, which, properly directed, would make for the basis of a satisfactory government. In fact, it would be easier to control them and control them for their own good and for the good of the country than it would perhaps some other people with more education and with more independent ideas. The Mexican peon is a good workman, and is not troublesome, except in small ways, and could be made a very sub-

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stantial basis for citizenship and development of industry and business in the country.

Mr. KEARFUL. Is the Mexican peon, as a rule, faithful and loyal?

Mr. THOMAS. The Mexican peon is, as a rule, faithful and loyal, and generally satisfactory to the American employer.

Mr. KEARFUL. Is he by nature quarrelsome and turbulent?

Mr. THOMAS. He is not quarrelsome, nor turbulent, and he is generally quite appreciative of fair treatment.

Mr. KEARFUL. What percentage of the population is comprised of that class?

Mr. THOMAS. The population estimates in 1910 were about 15,000,000 and about 4,000,000 of these were estimated to be Indians—not peons, but Indians, absolutely unaffiliated with the race of the Mexican people and untouched by modern civilization. Many of these Indians do not even speak the Spanish language.

Of the remaining 11,000,000 from 2,000,000 to 3,000,000 were supposed to be able to read and write. Practically all of the remaining population was in the peon class, which represented mostly Indian blood with some small admixture of Spanish blood.

Mr. KEARFUL. And it is that class that you regard as worthy, industrious, and capable of improvement?

Mr. THOMAS. It is the great peon class that is certainly deserving, and they are capable of rising to a much higher plane, socially and economically. They are not ambitious in themselves, but they are adaptable to conditions. A distinct advance was made in the peon class due to the contact and influence of the American interests in Mexico. This was readily recognized in any of the mining centers, and the advance was appreciable during the latter years of American activities in Mexico.

Mr. KEARFUL. Do you think the activities of foreign enterprise in Mexico is necessary to the welfare and advancement of this class of people?

Mr. THOMAS. There is no question but what the foreign influence in Mexico is beneficial to the lower classes, and it was necessary in order to permit of opportunity for them to have broader employment and for them to have an opportunity to develop in educational ways and in industrial efficiency.

Mr. KEARFUL. I believe you said it was true, according to your observation, that nearly all of the economic development of Mexico has been carried on by foreigners?

Mr. THOMAS. Practically all of it has been carried on by foreigners. There have been no great undertakings that were financed by Mexicans, either railroad building, irrigation, mining, or general industrial and economic enterprises of that character.

Mr. KEARFUL. What do you think would be the effect upon Mexico of the entire elimination of all foreigners and foreign enterprises?

Mr. THOMAS. It would be stagnation and poverty.

Mr. KEARFUL. I believe that is all, unless you have something further.

Mr. THOMAS. I have nothing directly in line.

Mr. KEARFUL. We are very much obliged to you, sir.

(Whereupon, at 12.45 o'clock p. m., the committee adjourned.)

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